

ANNUAL FINANCIAL REPORT
VAN BUREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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This financial report is available at **www.comptroller.tn.gov**

VAN BUREN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Van Buren County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Van Buren County as of and for the year ended June 30, 2020.

Results

Our report on Van Buren County's financial statements is unmodified.

Our audit resulted in nine findings and recommendations, which we have reviewed with Van Buren County management. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste/Sanitation Fund had operating deficiencies.
- ◆ Interfund loans were not issued properly.
- ◆ The office had budget deficiencies.
- ◆ The office had purchasing deficiencies.
- ◆ The county mayor had not formally documented internal controls.
- ◆ Duties were not segregated adequately.

OFFICE OF ROAD SUPERINTENDENT

- ◆ The office had budget deficiencies.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had budget deficiencies.
-

VAN BUREN COUNTY

- ♦ The county's audit committee is not a functioning committee.
-

INTRODUCTORY SECTION

Van Buren County Officials

June 30, 2020

Officials

Greg Wilson, County Mayor
Randy Oakes, Road Superintendent
Cheryl Cole, Director of Schools
Tammie Clendenon, Trustee
Darlene Hale, Assessor of Property
Lisa Rigsby, County Clerk
B.J. Baker, Circuit and General Sessions Courts Clerk
Tina Shockley, Clerk and Master
April Shockley, Register of Deeds
Eddie Carter, Sheriff

Board of County Commissioners

Joey Grissom, Chairman
David Chandler
Terry Hickey
William Maxwell, Jr.
Bill Mosley
Mickey Robinson
Sam Henry Seamons, Jr.
Brian Simmons
Robert Van Winkle
Michael Woodlee

Board of Education

Ricky Walling, Chairman
Barry Austin
Ronnie Hitchcock
Tim Hodges
Davy Shockley

Audit Committee

George Rogalle, Chairman
Barry Austin
Walter Hillis
Don Hollinsworth

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Van Buren County Mayor and
Board of County Commissioners
Van Buren County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, and schedule of school's changes in total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Van Buren County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

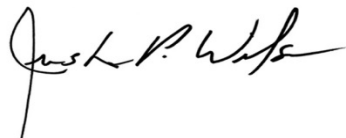
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020, on our consideration of Van Buren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Van Buren County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 27, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Van Buren County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Unit Van Buren County School Department
<u>ASSETS</u>		
Cash	\$ 1,395	\$ 0
Equity in Pooled Cash and Investments	3,091,965	1,230,630
Accounts Receivable	316,273	3,642
Allowance for Uncollectibles	(195,284)	0
Due from Other Governments	411,929	305,094
Due from Component Units	1,442,000	0
Property Taxes Receivable	3,394,136	858,252
Allowance for Uncollectible Property Taxes	(151,270)	(41,471)
Net Pension Asset - Agent Plan	313,643	176,807
Net Pension Asset - Teacher Retirement Plan	0	27,776
Net Pension Asset - Teacher Legacy Retirement Plan	0	1,069,116
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	25,573
Capital Assets:		
Assets Not Depreciated:		
Land	615,731	322,022
Construction in Progress	102,177	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,995,193	5,009,951
Infrastructure	3,579,186	228
Other Capital Assets	1,417,271	812,912
Total Assets	<u>\$ 26,334,345</u>	<u>\$ 9,800,532</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 61,041	\$ 87,615
Pension Changes in Assumptions	67,813	183,261
Pension Changes in Proportion	0	37,861
Pension Changes in Contributions after Measurement Date	183,745	451,764
OPEB Changes in Experience	0	413,369
OPEB Changes in Assumptions	0	33,261
OPEB Changes in Proportion	0	112,729
OPEB Changes in Contributions after Measurement Date	0	80,168
Total Deferred Outflows of Resources	<u>\$ 312,599</u>	<u>\$ 1,400,028</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 98,087	\$ 0
Payroll Deductions Payable	25,951	15,757
Accrued Interest Payable	24,371	0
Due to Primary Government	0	1,442,000
Due to State of Tennessee	622	5,932
Noncurrent Liabilities:		
Due Within One Year - Debt	561,799	0
Due Within One Year - Other	113,077	9,505
Due in More Than One Year - Debt	8,328,600	0
Due in More Than One Year - Other	113,938	1,990,240
Total Liabilities	<u>\$ 9,266,445</u>	<u>\$ 3,463,434</u>

(Continued)

Exhibit A

Van Buren County, Tennessee
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Unit Van Buren County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Current Property Taxes	\$ 3,089,893	\$ 768,978
Pension Changes in Experience	101,927	715,345
Pension Changes in Investment Earnings	72,709	347,628
Pension Changes in Proportion	0	9,129
OPEB Changes in Assumptions	0	171,537
Total Deferred Inflows of Resources	<u>\$ 3,264,529</u>	<u>\$ 2,012,617</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 10,261,159	\$ 6,145,113
Restricted for:		
General Government	63,233	0
Finance	33,179	0
Administration of Justice	58,196	0
Public Safety	93,941	0
Public Health and Welfare	15,184	0
Highway/Public Works	2,529,355	0
Education	0	164,418
Debt Service	344,554	0
Pensions	313,643	1,299,272
Unrestricted	<u>403,526</u>	<u>(1,884,294)</u>
Total Net Position	<u><u>\$ 14,115,970</u></u>	<u><u>\$ 5,724,509</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Van Buren County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Van Buren County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,732,159	\$ 68,757	\$ 122,900	\$ 191,797	\$ (1,348,705)	\$ 0
Finance	362,402	179,109	0	0	(183,293)	0
Administration of Justice	266,254	246,768	13,500	0	(5,986)	0
Public Safety	1,773,297	377,569	8,212	0	(1,387,516)	0
Public Health and Welfare	1,241,077	801,211	169,496	0	(270,370)	0
Social, Cultural, and Recreational Services	34,470	636	7,271	0	(26,563)	0
Agriculture and Natural Resources	98,618	0	13,053	0	(85,565)	0
Highways/Public Works	1,513,791	0	1,893,144	334,165	713,518	0
Interest on Long-term Debt	223,465	0	0	42,620	(180,845)	0
Total Governmental Activities	<u>\$ 7,245,533</u>	<u>\$ 1,674,050</u>	<u>\$ 2,227,576</u>	<u>\$ 568,582</u>	<u>\$ (2,775,325)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 7,245,533</u>	<u>\$ 1,674,050</u>	<u>\$ 2,227,576</u>	<u>\$ 568,582</u>	<u>\$ (2,775,325)</u>	<u>\$ 0</u>
Component Unit:						
Van Buren County School Department	<u>\$ 9,357,547</u>	<u>\$ 67,330</u>	<u>\$ 1,320,924</u>	<u>\$ 36,000</u>	<u>\$ 0</u>	<u>\$ (7,933,293)</u>
Total Component Unit	<u>\$ 9,357,547</u>	<u>\$ 67,330</u>	<u>\$ 1,320,924</u>	<u>\$ 36,000</u>	<u>\$ 0</u>	<u>\$ (7,933,293)</u>

(Continued)

Exhibit B

Van Buren County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Van Buren County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,267,576	\$ 761,670
Property Taxes Levied for Debt Service					136,736	0
Local Option Sales Tax					109,855	520,596
Hotel/Motel Tax					79,860	79,860
Litigation Taxes					83,332	0
Business Tax					24,870	0
Wholesale Beer Tax					20,030	0
Other Local Taxes					5,131	0
Grants and Contributions Not Restricted to Specific Programs					672,811	5,516,777
Unrestricted Investment Earnings					33,313	0
Miscellaneous					23,325	6,682
Sale of Land/Equipment					92,499	0
Total General Revenues					<u>\$ 3,549,338</u>	<u>\$ 6,885,585</u>
Insurance Recovery					\$ 11,305	\$ 0
Special Item - Capital Lease Termination (1)					127,658	0
Change in Net Position					\$ 912,976	\$ (1,047,708)
Net Position, July 1, 2019					<u>13,202,994</u>	<u>\$ 6,772,217</u>
Net Position, June 30, 2020					<u>\$ 14,115,970</u>	<u>\$ 5,724,509</u>

The notes to the financial statements are an integral part of this statement.

(1) The county terminated a capital lease without exercising the purchase option.

Van Buren County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit C-1

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,000	\$ 0	\$ 0	\$ 395	\$ 1,395
Equity in Pooled Cash and Investments	227,459	85,996	2,257,523	360,233	160,754	3,091,965
Accounts Receivable	23,349	280,123	0	0	12,801	316,273
Allowance for Uncollectibles	0	(194,295)	0	0	(989)	(195,284)
Due from Other Governments	140,097	0	271,832	0	0	411,929
Due from Other Funds	9,869	0	0	0	0	9,869
Property Taxes Receivable	2,635,564	314,513	0	256,804	187,255	3,394,136
Allowance for Uncollectible Property Taxes	(116,031)	(15,763)	0	(10,428)	(9,048)	(151,270)
Total Assets	\$ 2,920,307	\$ 471,574	\$ 2,529,355	\$ 606,609	\$ 351,168	\$ 6,879,013
<u>LIABILITIES</u>						
Accounts Payable	\$ 19,504	\$ 1,229	\$ 0	\$ 0	\$ 77,354	\$ 98,087
Payroll Deductions Payable	19,688	5,288	0	0	975	25,951
Due to Other Funds	0	0	0	0	9,869	9,869
Due to State of Tennessee	394	0	0	0	228	622
Total Liabilities	\$ 39,586	\$ 6,517	\$ 0	\$ 0	\$ 88,426	\$ 134,529
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 2,404,804	\$ 279,628	\$ 0	\$ 237,684	\$ 167,777	\$ 3,089,893
Deferred Delinquent Property Taxes	89,527	14,921	0	6,782	8,139	119,369
Other Deferred/Unavailable Revenue	14,588	53,701	135,916	0	0	204,205
Total Deferred Inflows of Resources	\$ 2,508,919	\$ 348,250	\$ 135,916	\$ 244,466	\$ 175,916	\$ 3,413,467

(Continued)

Van Buren County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

Exhibit C-1

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 26,845	\$ 0	\$ 0	\$ 0	\$ 31,545	\$ 58,390
Restricted for Finance	33,179	0	0	0	0	33,179
Restricted for Administration of Justice	58,196	0	0	0	0	58,196
Restricted for Public Safety	0	0	0	0	85,802	85,802
Restricted for Public Health and Welfare	263	0	0	0	0	263
Restricted for Highways/Public Works	0	0	2,393,439	0	0	2,393,439
Restricted for Capital Outlay	4,843	0	0	0	0	4,843
Restricted for Debt Service	0	0	0	362,143	0	362,143
Committed:						
Committed for Public Health and Welfare	0	116,807	0	0	0	116,807
Unassigned	248,476	0	0	0	(30,521)	217,955
Total Fund Balances	<u>\$ 371,802</u>	<u>\$ 116,807</u>	<u>\$ 2,393,439</u>	<u>\$ 362,143</u>	<u>\$ 86,826</u>	<u>\$ 3,331,017</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,920,307</u>	<u>\$ 471,574</u>	<u>\$ 2,529,355</u>	<u>\$ 606,609</u>	<u>\$ 351,168</u>	<u>\$ 6,879,013</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Van Buren County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 3,331,017
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 615,731	
Add: construction in progress	102,177	
Add: buildings and improvements net of accumulated depreciation	11,995,193	
Add: infrastructure net of accumulated depreciation	3,579,186	
Add: other capital assets net of accumulated depreciation	<u>1,417,271</u>	17,709,558
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (8,217,000)	
Less: notes payable	(519,500)	
Less: capital leases payable	(153,899)	
Add: debt to be contributed by the school department	1,442,000	
Less: accrued interest on bonds	(24,371)	
Less: landfill postclosure care costs	(120,402)	
Less: compensated absences payable	<u>(106,613)</u>	(7,699,785)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 312,599	
Less: deferred inflows of resources related to pensions	<u>(174,636)</u>	137,963
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan		313,643
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>323,574</u>
Net position of governmental activities (Exhibit A)		<u>\$ 14,115,970</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Van Buren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 2,096,777	\$ 311,179	\$ 0	\$ 273,308	\$ 250,232	\$ 2,931,496
Licenses and Permits	23,382	0	0	0	0	23,382
Fines, Forfeitures, and Penalties	52,648	0	0	0	34,449	87,097
Charges for Current Services	41,339	430,720	0	0	386,073	858,132
Other Local Revenues	187,901	0	8,082	0	147,079	343,062
Fees Received From County Officials	340,393	0	0	0	0	340,393
State of Tennessee	923,083	0	2,207,133	21,922	0	3,152,138
Federal Government	228,825	0	0	0	0	228,825
Other Governments and Citizens Groups	114,837	0	0	119,620	0	234,457
Total Revenues	\$ 4,009,185	\$ 741,899	\$ 2,215,215	\$ 414,850	\$ 817,833	\$ 8,198,982
<u>Expenditures</u>						
Current:						
General Government	\$ 1,215,309	\$ 0	\$ 0	\$ 0	\$ 75,722	\$ 1,291,031
Finance	361,138	0	0	0	30	361,168
Administration of Justice	265,208	0	0	0	0	265,208
Public Safety	1,638,777	0	0	0	190,277	1,829,054
Public Health and Welfare	38,994	689,272	0	0	628,995	1,357,261
Social, Cultural, and Recreational Services	34,470	0	0	0	0	34,470
Agriculture and Natural Resources	96,778	0	0	0	0	96,778
Other Operations	285,758	0	0	0	4,394	290,152
Highways	50,073	0	2,397,512	0	0	2,447,585
Debt Service:						
Principal on Debt	0	0	0	7,192,963	0	7,192,963
Interest on Debt	0	0	0	209,050	0	209,050
Other Debt Service	0	0	0	196,648	0	196,648
Total Expenditures	\$ 3,986,505	\$ 689,272	\$ 2,397,512	\$ 7,598,661	\$ 899,418	\$ 15,571,368

(Continued)

Exhibit C-3

Van Buren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,680	\$ 52,627	\$ (182,297)	\$ (7,183,811)	\$ (81,585)	\$ (7,372,386)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 7,000,000	\$ 0	\$ 7,000,000
Notes Issued	500,000	0	0	0	19,500	519,500
Capital Leases Issued	0	0	0	0	168,900	168,900
Insurance Recovery	11,305	0	0	0	0	11,305
Transfers In	0	0	0	490,585	0	490,585
Transfers Out	(100,000)	0	0	0	(390,585)	(490,585)
Total Other Financing Sources (Uses)	\$ 411,305	\$ 0	\$ 0	\$ 7,490,585	\$ (202,185)	\$ 7,699,705
Net Change in Fund Balances	\$ 433,985	\$ 52,627	\$ (182,297)	\$ 306,774	\$ (283,770)	\$ 327,319
Fund Balance, July 1, 2019	(62,183)	64,180	2,575,736	55,369	370,596	3,003,698
Fund Balance, June 30, 2020	\$ 371,802	\$ 116,807	\$ 2,393,439	\$ 362,143	\$ 86,826	\$ 3,331,017

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Van Buren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	327,319
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,670,972	
Less: current-year depreciation expense		(708,756)	962,216
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(3,522)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$	(299,710)	
Add: deferred delinquent property taxes and other deferred June 30, 2020		323,574	23,864
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Less: bond proceeds	\$	(7,000,000)	
Less: note proceeds		(519,500)	
Less: capital lease proceeds		(168,900)	
Add: principal payments on bonds		302,000	
Add: principal payments on notes		6,890,963	
Add: principal payments on capital leases		34,404	
Add: capital lease terminated		127,658	
Less: contributions from the school department for bonds		(77,000)	(410,375)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(14,415)	
Change in compensated absences payable		(39,115)	
Change in landfill postclosure care costs		7,042	
Change in net pension liability/asset		184,607	
Change in deferred outflows related to pensions		(122,100)	
Change in deferred inflows related to pensions		(2,545)	13,474
Change in net position of governmental activities (Exhibit B)		\$	<u>912,976</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,096,777	\$ 2,105,836	\$ 2,105,836	\$ (9,059)
Licenses and Permits	23,382	22,250	22,250	1,132
Fines, Forfeitures, and Penalties	52,648	42,100	42,100	10,548
Charges for Current Services	41,339	28,900	28,900	12,439
Other Local Revenues	187,901	154,000	154,000	33,901
Fees Received From County Officials	340,393	329,000	329,000	11,393
State of Tennessee	923,083	1,086,800	1,099,120	(176,037)
Federal Government	228,825	398,500	398,500	(169,675)
Other Governments and Citizens Groups	114,837	30,000	30,000	84,837
Total Revenues	\$ 4,009,185	\$ 4,197,386	\$ 4,209,706	\$ (200,521)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 496,675	\$ 752,550	\$ 602,468	\$ 105,793
Board of Equalization	1,250	1,500	1,500	250
Beer Board	0	300	300	300
County Mayor/Executive	181,337	184,534	186,714	5,377
County Attorney	18,000	9,100	24,100	6,100
Election Commission	110,643	109,474	119,274	8,631
Register of Deeds	81,811	89,303	89,303	7,492
Planning	750	4,000	4,000	3,250
County Buildings	324,843	333,775	406,150	81,307
<u>Finance</u>				
Property Assessor's Office	119,690	124,651	124,761	5,071
County Trustee's Office	124,372	131,428	131,428	7,056
County Clerk's Office	117,076	116,695	117,635	559
<u>Administration of Justice</u>				
Circuit Court	121,513	128,478	128,478	6,965
General Sessions Court	40,022	43,750	43,750	3,728
Chancery Court	86,398	99,835	99,835	13,437
Juvenile Court	10,000	10,000	10,000	0
Judicial Commissioners	7,275	7,350	7,350	75
<u>Public Safety</u>				
Sheriff's Department	499,775	613,801	644,306	144,531
Jail	956,610	864,565	1,015,895	59,285
Fire Prevention and Control	1,000	11,000	11,000	10,000
Disaster Relief	58,825	0	128,590	69,765
Other Emergency Management	2,000	2,000	2,000	0
County Coroner/Medical Examiner	20,567	14,000	22,900	2,333
Other Public Safety	100,000	100,000	100,000	0
<u>Public Health and Welfare</u>				
Local Health Center	14,484	65,070	77,390	62,906
Appropriation to State	24,510	24,510	24,510	0
Waste Pickup	0	0	106	106
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	109	2,075	2,186	2,077
Libraries	25,343	31,985	32,244	6,901
Parks and Fair Boards	0	500	500	500

(Continued)

Exhibit C-5

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Social, Cultural, and Recreational Services (Cont.)</u>				
Other Social, Cultural, and Recreational	\$ 9,018	\$ 9,200	\$ 9,200	\$ 182
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	43,334	45,551	45,551	2,217
Soil Conservation	53,444	54,338	54,338	894
<u>Other Operations</u>				
Veterans' Services	8,402	10,215	10,470	2,068
Other Charges	219,133	219,441	230,441	11,308
Employee Benefits	33,475	52,040	52,040	18,565
Miscellaneous	24,748	29,000	29,000	4,252
<u>Highways</u>				
Litter and Trash Collection	50,073	66,690	66,690	16,617
Total Expenditures	\$ 3,986,505	\$ 4,362,704	\$ 4,656,403	\$ 669,898
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,680	\$ (165,318)	\$ (446,697)	\$ 469,377
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Insurance Recovery	11,305	5,000	16,305	(5,000)
Transfers In	0	173,000	173,000	(173,000)
Transfers Out	(100,000)	0	(100,000)	0
Total Other Financing Sources	\$ 411,305	\$ 178,000	\$ 589,305	\$ (178,000)
Net Change in Fund Balance	\$ 433,985	\$ 12,682	\$ 142,608	\$ 291,377
Fund Balance, July 1, 2019	(62,183)	230,182	230,182	(292,365)
Fund Balance, June 30, 2020	\$ 371,802	\$ 242,864	\$ 372,790	\$ (988)

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 311,179	\$ 344,073	\$ 344,073	\$ (32,894)
Charges for Current Services	430,720	338,000	338,000	92,720
Total Revenues	<u>\$ 741,899</u>	<u>\$ 682,073</u>	<u>\$ 682,073</u>	<u>\$ 59,826</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 689,272	\$ 678,011	\$ 741,149	\$ 51,877
Total Expenditures	<u>\$ 689,272</u>	<u>\$ 678,011</u>	<u>\$ 741,149</u>	<u>\$ 51,877</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 52,627</u>	<u>\$ 4,062</u>	<u>\$ (59,076)</u>	<u>\$ 111,703</u>
Net Change in Fund Balance	\$ 52,627	\$ 4,062	\$ (59,076)	\$ 111,703
Fund Balance, July 1, 2019	<u>64,180</u>	<u>42,716</u>	<u>42,716</u>	<u>21,464</u>
Fund Balance, June 30, 2020	<u><u>\$ 116,807</u></u>	<u><u>\$ 46,778</u></u>	<u><u>\$ (16,360)</u></u>	<u><u>\$ 133,167</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-7

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 2,200	\$ 2,200	\$ (2,200)
Other Local Revenues	8,082	0	0	8,082
State of Tennessee	2,207,133	1,948,192	1,948,192	258,941
Total Revenues	<u>\$ 2,215,215</u>	<u>\$ 1,950,392</u>	<u>\$ 1,950,392</u>	<u>\$ 264,823</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 164,639	\$ 190,068	\$ 190,068	\$ 25,429
Highway and Bridge Maintenance	1,316,538	1,471,695	1,471,695	155,157
Operation and Maintenance of Equipment	225,460	341,000	341,000	115,540
Quarry Operations	11,221	12,800	12,800	1,579
Other Charges	95,355	121,000	121,000	25,645
Employee Benefits	64,888	138,290	138,290	73,402
Capital Outlay	519,411	252,208	252,208	(267,203)
Total Expenditures	<u>\$ 2,397,512</u>	<u>\$ 2,527,061</u>	<u>\$ 2,527,061</u>	<u>\$ 129,549</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (182,297)</u>	<u>\$ (576,669)</u>	<u>\$ (576,669)</u>	<u>\$ 394,372</u>
Net Change in Fund Balance	\$ (182,297)	\$ (576,669)	\$ (576,669)	\$ 394,372
Fund Balance, July 1, 2019	<u>2,575,736</u>	<u>1,984,764</u>	<u>1,984,764</u>	<u>590,972</u>
Fund Balance, June 30, 2020	<u>\$ 2,393,439</u>	<u>\$ 1,408,095</u>	<u>\$ 1,408,095</u>	<u>\$ 985,344</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D

Van Buren County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 559,219
Due from Other Governments	<u>24,635</u>
Total Assets	<u><u>\$ 583,854</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 24,635
Due to Litigants, Heirs, and Others	<u>559,219</u>
Total Liabilities	<u><u>\$ 583,854</u></u>

The notes to the financial statements are an integral part of this statement.

VAN BUREN COUNTY, TENNESSEE
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VAN BUREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Van Buren County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Van Buren County:

A. Reporting Entity

Van Buren County is a public municipal corporation governed by an elected ten-member board. As required by GAAP, these financial statements present Van Buren County (the primary government) and its component units. The financial statements of the Van Buren County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditors' opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Unit – The Industrial Development Board of Van Buren County was created to provide assistance in industrial recruitment in Van Buren County. Prior to July 1, 2014, this entity was reported as a discretely presented component unit of the county because the Van Buren County Commission appointed its board of directors. However, the county commission is currently acting as the board of directors. The capital assets of the Industrial Development Board of Van Buren County have been included on the primary government Statement of Net Position and Statement of Activities at June 30, 2020.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Van Buren County School Department operates the public school system in the county, and the voters of Van Buren County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Van Buren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Van Buren County, and the Van Buren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Van Buren County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Van Buren County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Van Buren County Emergency Communications District can be obtained from their administrative offices at the following address:

Administrative Offices:

Van Buren County Emergency
Communications District
1150 Old Dunlap Street
Spencer, TN 38585

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Van Buren County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Van Buren County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function

and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Van Buren County issues all debt for the discretely presented Van Buren County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Van Buren County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Van Buren County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Van Buren County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which have no measurement focus. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Van Buren County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Ambulance Service Fund – This special revenue fund accounts for transactions related to the operation of the county’s ambulance service. Patient charges are the foundational revenues of this fund.

Highway/Public Works Fund – This special revenue fund accounts for the transactions of the county’s highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Van Buren County reports the following fund type:

Capital Projects Fund – The General Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. This fund was closed during the year.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Van Buren County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Van Buren County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the school department. It is used to account for general operations of the school department.

Additionally, the Van Buren County School Department reports the following fund type:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises, and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Van Buren County

School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Van Buren County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United State of America. Van Buren County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All solid waste, ambulance, and property taxes receivables are shown with an allowance for uncollectibles. Solid waste and ambulance receivables allowance for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.87 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements.

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Van Buren County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns

and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Van Buren County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Van Buren County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. **Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of at least \$5,000 for the primary government and \$15,000 for the school department and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 - 40
Other Capital Assets	5 - 20
Infrastructure	20 - 50

5. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources,

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, and proportionate share of contributions; other postemployment benefits (OPEB) changes in experience, assumptions, and proportionate share of contributions; and employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience, investment earnings, and proportionate share of contributions; OPEB changes in assumptions; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

The general policy of Van Buren County (with the exception of the highway department) permits employees to accumulate earned but unused vacation and sick leave. Vacation and sick leave are each granted at the rate of one day per month for county employees.

Ambulance Service employees earn vacation at a rate of one hour for every 12 hours worked. County employees can accrue up to 240 hours of vacation, and Ambulance Service employees can accrue 1,000 hours. Upon termination of employment, an employee will be paid for any unused vacation.

The policy of the highway department allows employees to accumulate earned but unused sick leave. Sick leave is granted at a rate of one day per month. Employees are paid for their unused sick leave balance each December 31 and June 30.

All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Van Buren County School Department

The general policy of the discretely presented Van Buren County School Department does not allow for the accumulation of vacation days beyond year-end for professional personnel. However, the contract with the director of schools does permit accumulation of earned but unused vacation benefits of 12 days per year. All professional personnel (teachers) of the school department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded. The director of school's vacation pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including

compensated absences, other postemployment benefits, and landfill postclosure care costs are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$3,451,285 of restricted net position, of which \$31,545 is restricted by enabling legislation.

As of June 30, 2020, Van Buren County had \$1,442,000 in outstanding debt for the capital purposes for the discretely presented Van Buren County School Department. This debt is a liability of Van Buren County, but the capital assets acquired are reported in the financial statements of the school department.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Special Item

During the year, Van Buren County terminated a capital lease without exercising the purchase option. As a result, a special item totaling \$127,658 was recognized in the Government-Wide Statement of Activities and the long-term liability was removed from the Statement of Net Position.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Van Buren County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Van Buren County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Van Buren County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Discretely Presented Van Buren County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Van Buren County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Van Buren County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Van Buren County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds, except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted and the General Capital Project Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. Fund Deficit

The Solid Waste/Sanitation Fund had negative unassigned fund balances of \$30,521. The deficit resulted primarily from the recognition of liabilities due to vendors of \$37,207 plus state grant funds totaling \$8,248 that were posted to the wrong fund in the 2018 fiscal year and are due to the General Fund at June 30, 2020. The deficit is expected to be liquidated by an increase in property taxes.

C. Cash Overdrafts

The Solid Waste/Sanitation Fund had cash overdrafts during the year as noted in the schedule below. These cash overdrafts resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdrafts were liquidated when the monthly receipts from the county trustee were posted to the general ledger.

<u>Fund</u>	<u>Month</u>	<u>Cash Overdraft Per Record</u>
Solid Waste/Sanitation	July 2019	\$ (4,274.54)
	August 2019	(31,380.82)
	September 2019	(34,231.13)
	October 2019	(25,684.37)
	November 2019	(22,318.53)
	December 2019	(16,323.89)
	January 2020	(3,671.86)
	February 2020	(6,025.80)
	March 2020	(16,590.60)
	April 2020	(20,763.19)
	May 2020	(20,017.02)
	June 2020	(27,464.24)

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation Fund by \$73,947. Expenditures exceeded appropriations approved by the county commission in Capital Outlay major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$267,203. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

E. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Ambulance Service Fund resulted in appropriations exceeding estimated available funding by \$16,360.

F. The Actual Fund Balances Differed from the Estimated Beginning Fund Balances

Actual beginning fund balances July 1, 2019, differed from the estimated fund balances presented to the county commission as follows:

Fund	July 1, 2019 Actual Fund Balance	July 1, 2019 Budgeted Fund Balance	Difference
Primary Government:			
General	\$ (62,183)	\$ 230,182	\$ (292,365)
Solid/Waste Sanitation	(113,369)	24,999	(138,368)
Highway/Public Works	2,575,736	1,984,764	590,972
General Debt Service	55,369	135,809	(80,440)
Discretely Presented School Department:			
General Purpose School	2,023,807	3,574,242	(1,550,435)

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Van Buren County and the Van Buren County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheet or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at

amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled or nonpooled investments at June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The Van Buren County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Van Buren County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within

the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary

information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

On June 30, 2020, the Van Buren County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 7,927
Developed Market International Equity	N/A	N/A	3,580
Emerging Market International Equity	N/A	N/A	1,023
U.S. Fixed Income	N/A	N/A	5,115
Real Estate	N/A	N/A	2,557
Short-term Securities	N/A	N/A	256
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>5,115</u>
Total			<u><u>\$ 25,573</u></u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity Developed Market	\$ 7,927	\$ 7,927	\$ 0	\$ 0	0
International Equity Emerging Market	3,580	3,580	0	0	0
International Equity	1,023	1,023	0	0	0
U.S. Fixed Income	5,115	0	5,115	0	0
Real Estate	2,557	0	0	2,557	0
Short-term Securities	256	0	256	0	0
Private Equity and Strategic Lending	5,115	0	0	0	5,115
Total	\$ 25,573	\$ 12,530	\$ 5,371	\$ 2,557	\$ 5,115

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Van Buren County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Van Buren County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Van Buren County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will

not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Van Buren County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>

B. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 615,731	\$ 0	\$ 0	\$ 615,731
Construction in Progress	0	102,177	0	102,177
Total Capital Assets Not Depreciated	\$ 615,731	\$ 102,177	\$ 0	\$ 717,908
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,466,735	\$ 103,583	\$ (30,000)	\$ 14,540,318
Infrastructure	7,009,910	906,880	0	7,916,790
Other Capital Assets	3,687,048	558,332	(5,500)	4,239,880
Total Capital Assets Depreciated	\$ 25,163,693	\$ 1,568,795	\$ (35,500)	\$ 26,696,988
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,222,450	\$ 352,075	\$ (29,400)	\$ 2,545,125
Infrastructure	4,160,240	177,364	0	4,337,604
Other Capital Assets	2,645,870	179,317	(2,578)	2,822,609
Total Accumulated Depreciation	\$ 9,028,560	\$ 708,756	\$ (31,978)	\$ 9,705,338
Total Capital Assets Depreciated, Net	\$ 16,135,133	\$ 860,039	\$ (3,522)	\$ 16,991,650
Governmental Activities Capital Assets, Net	\$ 16,750,864	\$ 962,216	\$ (3,522)	\$ 17,709,558

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 357,877
Public Safety	22,844
Public Health and Welfare	83,364
Highways/Public Works	<u>244,671</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 708,756</u></u>

Discretely Presented Van Buren County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 322,022	\$ 0	\$ 322,022
Total Capital Assets Not Depreciated	<u>\$ 322,022</u>	<u>\$ 0</u>	<u>\$ 322,022</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 9,721,761	\$ 423,980	\$ 10,145,741
Infrastructure	22,760	0	22,760
Other Capital Assets	1,349,460	128,203	1,477,663
Total Capital Assets Depreciated	<u>\$ 11,093,981</u>	<u>\$ 552,183</u>	<u>\$ 11,646,164</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 4,878,943	\$ 256,847	\$ 5,135,790
Infrastructure	22,439	93	22,532
Other Capital Assets	584,470	80,281	664,751
Total Accumulated Depreciation	<u>\$ 5,485,852</u>	<u>\$ 337,221</u>	<u>\$ 5,823,073</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,608,129</u>	<u>\$ 214,962</u>	<u>\$ 5,823,091</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 5,930,151</u></u>	<u><u>\$ 214,962</u></u>	<u><u>\$ 6,145,113</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2020.

Depreciation expense was charged to functions of the school department as follows:

Governmental Activities:

Instruction	\$ 229,821
Support Services	<u>107,400</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 337,221</u>

C. Construction Commitments

The county had uncompleted renovations to the fair building. The county received a \$150,000 state grant for the renovations, and had completed projects totaling \$102,177 at June 30, 2020. Additional projects are planned but have not been awarded. Funding for these future expenditures is expected to be received from the state grant.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 8,248
"	"	1,621
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	59,961
Nonmajor governmental	"	8,687

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government	School Department	
Governmental Activities	Governmental Activities	\$ 1,442,000

The Due to Primary Government is the balance of the bond issued by the county for the school department. The school department has agreed to contribute the funds annually to retire this bond. This long-term obligation is reflected in governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General	Debt
	Service	Purpose
	Fund	
General Fund	\$ 100,000	To retire debt
Nonmajor governmental funds	<u>390,585</u>	To close capital projects fund
Total	<u>\$ 490,585</u>	

E. Capital Leases

On November 16, 2018, Van Buren County entered into a 14-month lease-purchase agreement for a solid waste truck. The terms of the agreement required total lease payments of \$168,900 plus interest of 6.64 percent with the title to the equipment transfers to Van Buren County at the end of the lease period. The county chose to terminate this lease agreement without exercising the purchase option on December 1, 2019, with \$127,658 remaining on the lease.

On December 1, 2019, Van Buren County entered into a 14-month lease-purchase agreement for a solid waste truck. The terms of the agreement required total lease payments of \$168,900 plus interest of 5.94 percent. Title to the equipment transfers to Van Buren County at the end of the lease period. The lease payments are made from the Solid Waste/Sanitation Fund. This lease-purchase agreement was not entered into in compliance with state

statutes. Details of these transactions are discussed in the Findings and Questioned Costs section of this report.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Other Capital Assets	\$ 168,900
Less: Accumulated Depreciation	<u>(6,897)</u>
Total Book Value	<u><u>\$ 162,003</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2021	\$ 160,176
Total Minimum Lease Payments	\$ 160,176
Less: Amount Representing Interest	<u>(6,277)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 153,899</u></u>

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

Van Buren County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds and capital outlay notes. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. The general obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Van Buren County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such

as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government.

During the prior year, Van Buren County did not retire tax and revenue anticipation notes (TRANS) of \$319,500 in compliance with authorizing statutes, which require TRANS to be repaid by the end of the fiscal year in which they are issued. They also did not have sufficient funds to repay a current year tax and revenue anticipation note of \$200,000. Pursuant to state statutes, the Comptroller's Division of Local Government Finance approved an extension of the maturity date of these notes by five years with a maturity date of June 30, 2025. As a result, this liability has been recognized in the long-term debt section in the financial statements of this report. All outstanding notes included in long-term debt as of June 30, 2020, will be retired from the General Fund.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	1.39 to 2.75 %	6-1-44	\$ 7,000,000	\$ 6,775,000
General Obligation Bonds - Refunding	3.33	10-1-34	1,804,445	1,442,000
Direct Borrowing and Direct Placement:				
Tax Anticipation Extension Note	1.53	6-30-25	519,500	519,500
Capital Leases	5.94	3-1-21	168,900	153,899

On December 12, 2019, the interest rate on the General Obligation Refunding Bonds increased from 2.96 percent to 3.33 percent. According to the bond purchase agreement, the purchaser had the option to modify the interest rate on the fifth anniversary of the issuance upon notification to the county and the administrator.

The annual requirements to amortize the general obligation bonds and capital outlay notes outstanding as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 304,000	\$ 199,043	\$ 503,043
2022	311,000	193,185	504,185
2023	314,000	187,125	501,125
2024	321,000	180,915	501,915
2025	328,000	174,491	502,491
2026-2030	1,729,000	760,915	2,489,915
2031-2035	1,935,000	537,960	2,472,960
2036-2040	1,570,000	316,040	1,886,040
2041-2044	1,405,000	97,592	1,502,592
Total	<u>\$ 8,217,000</u>	<u>\$ 2,647,266</u>	<u>\$ 10,864,266</u>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 103,900	\$ 7,970	\$ 111,870
2022	103,900	6,359	110,259
2023	103,900	4,769	108,669
2024	103,900	3,188	107,088
2025	103,900	1,590	105,490
Total	<u>\$ 519,500</u>	<u>\$ 23,876</u>	<u>\$ 543,376</u>

There is \$362,143 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,481, based on the 2010 federal census. Total debt per capita, including bonds, notes, and capital leases totaled \$1,602, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-20
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Refunding Bond, Series 2014	\$ 1,442,000
Total	<u>\$ 1,442,000</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

	Bonds	Notes - Direct Placement	Capital Leases - Direct Placement
Balance, July 1, 2019	\$ 1,519,000	\$ 6,890,963	\$ 147,061
Additions	7,000,000	519,500	168,900
Reductions	(302,000)	(6,890,963)	(162,062)
Balance, June 30, 2020	<u>\$ 8,217,000</u>	<u>\$ 519,500</u>	<u>\$ 153,899</u>
Balance Due Within One Year	<u>\$ 304,000</u>	<u>\$ 103,900</u>	<u>\$ 153,899</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 8,890,399
Less: Balance Due Within One Year - Debt	<u>(561,799)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 8,328,600</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2019	\$ 67,498	\$ 127,444
Additions	134,574	2,129
Reductions	(95,459)	(9,171)
Balance, June 30, 2020	<u>\$ 106,613</u>	<u>\$ 120,402</u>
Balance Due Within One Year	<u>\$ 95,459</u>	<u>\$ 17,618</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 227,015
Less: Balance Due Within One Year - Other	<u>(113,077)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 113,938</u>

Compensated absences will be paid from the employing funds, primarily the General and Ambulance Service funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Van Buren County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Van Buren County School Department for the year ended June 30, 2020, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 13,664	\$ 1,511,137
Additions	13,268	700,444
Reductions	(9,505)	(229,263)
Balance, June 30, 2020	<u>\$ 17,427</u>	<u>\$ 1,982,318</u>
Balance Due Within One Year	<u>\$ 9,505</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 1,999,745
Less: Balance Due Within One Year - Other	<u>(9,505)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,990,240</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

H. On-Behalf Payments - Discretely Presented Van Buren County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Van Buren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$31,133 and \$9,469, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Internal Financing

In-lieu-of issuing debt with financial institutions, Van Buren County chose to internally finance a purchase with idle county funds.

Internally reported notes receivable from idle funds loaned from the General Debt Service Fund that will subsequently be repaid from the Solid Waste/Sanitation Fund are reflected in the table below:

Receivable Fund/Description	Original Amount of Issue/Transfer	Interest Rate	Date of Issue	Last Maturity Date
General Debt Service Fund:				
Purchase of Solid Waste Business	\$ 125,000	0	% 1-15-19	6-30-28

	Outstanding 6-30-19	Paid and/or Matured During Period	Outstanding 6-30-20
General Debt Service Fund:			
Purchase of Solid Waste Business	\$ 125,000	\$ (125,000)	\$ 0
Total	\$ 125,000	\$ (125,000)	\$ 0

The county commission forgave the \$125,000 loan from the Solid Waste/Sanitation Fund to the General Debt Service Fund. This amount has been reported as a contribution from the General Debt Service Fund to the Solid Waste/Sanitation Fund in the financial statements of this report.

J. Short-term Debt

During the prior year, Van Buren County issued tax/revenue anticipation notes in advance of property tax collections and deposited the proceeds in the General, Solid Waste/Sanitation, and Local Purpose Tax funds. These notes were necessary because funds were not available for cash flow purposes.

During the year, Van Buren County issued tax/revenue anticipation notes totaling \$250,000 in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet debt service payments coming due before current tax collections. Of these loans, \$20,000 were not approved by the state Comptroller's Office as required by state statutes.

On June 29, 2020, the county issued a five year tax anticipation extension note of \$519,500 to repay the prior year (\$319,500) and a portion of the current year short-term debt (\$200,000) as discussed on Note IV.F.

Short-term debt activity for the year ended June 30, 2020, was as follows:

	Balance 7-1-19	Issued	Paid*	Balance 6-30-20
Tax/Revenue Anticipation Notes	\$ 319,500	\$ 250,000	\$ (569,500)	\$ 0

* - \$50,000 of this amount was retired, the remaining \$519,500 extended as long-term debt.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF), which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to these pools for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF and LGWCF reinsure through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county carries commercial insurance for risks of loss for the volunteer fire departments. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Van Buren County provides commercial health insurance for its employees.

Discretely Presented Van Buren County School Department

The discretely presented Van Buren County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Van Buren County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

C. Landfill Postclosure Care Costs

Van Buren County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Van Buren County closed its sanitary landfill in 1996. The \$120,402 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.95 percent, the non-certified employees of the discretely presented school department comprise 36.05 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department,

an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	71
Inactive Employees Entitled to But Not Yet Receiving Benefits	143
Active Employees	<u>145</u>
Total	<u><u>359</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Van Buren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Van Buren County was \$256,678 based on a rate of 6.96 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Van Buren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Van Buren County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital

market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	31
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Van Buren County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 9,093,163	\$ 9,295,921	\$ (202,758)
Changes for the Year:			
Service Cost	\$ 284,637	\$ 0	\$ 284,637
Interest	666,370	0	666,370
Differences Between Expected and Actual Experience	1,905	0	1,905
Contributions-Employer	0	365,642	(365,642)
Contributions-Employees	0	188,930	(188,930)
Net Investment Income	0	698,468	(698,468)
Benefit Payments, Including Refunds of Employee Contributions	(372,983)	(372,983)	0
Administrative Expense	0	(12,436)	12,436
Net Changes	\$ 579,929	\$ 867,621	\$ (287,692)
Balance, June 30, 2019	\$ 9,673,092	\$ 10,163,542	\$ (490,450)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.95%	\$ 6,185,942	\$ 6,499,585	\$ (313,643)
School Department	36.05%	3,487,150	3,663,957	(176,807)
Total		\$ 9,673,092	\$ 10,163,542	\$ (490,450)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Van Buren County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Van Buren County	6.25%	7.25%	8.25%
Net Pension Liability	\$ 824,249	\$ (490,450)	\$ (1,577,609)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, Van Buren County recognized pension expense of \$194,821.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Van Buren County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 95,451	\$ 159,386
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	113,696
Changes in Assumptions	106,040	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	256,678	N/A
Total	\$ 458,169	\$ 273,082

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 312,599	\$ 174,636
School Department	145,570	98,446
Total	<u>\$ 458,169</u>	<u>\$ 273,082</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 63,907
2022	(73,877)
2023	(29,304)
2024	(32,628)
2025	318
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Van Buren County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.95 percent and the non-certified employees of the discretely presented school department comprise 36.05 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Van Buren County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee

contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$13,755, which is 2.02 percent of covered payroll. In addition, employer contributions of \$13,494, which is 1.98 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$27,776) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .049206 percent. The proportion as of June 30, 2018, was .039238 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, the school department recognized pension expense of \$8,482.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,152	\$ 4,849
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,174
Changes in Assumptions	965	0
Changes in Proportion of Net Pension Liability (Asset)	2,363	5,093
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	13,755	N/A
Total	\$ 18,235	\$ 11,116

The school department's employer contributions of \$13,755, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (824)
2022	(1,004)
2023	(674)
2024	(506)
2025	(458)
Thereafter	(3,170)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$	8,801	\$	(27,776)	\$	54,813
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Van Buren County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of

death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Van Buren County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$365,076, which is 10.64 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$1,069,116) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .103981 percent. The proportion measured at June 30, 2018, was .104018 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, the school department recognized (negative pension expense) of (\$155,851).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 52,053	\$ 653,037
Changes in Assumptions	144,069	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	305,467
Changes in Proportion of Net Pension Liability (Asset)	35,498	4,036
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	365,076	N/A
Total	<u>\$ 596,696</u>	<u>\$ 962,540</u>

The school department's employer contributions of \$365,076 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (204,969)
2022	(293,695)
2023	(130,853)
2024	(101,404)
2025	0
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 2,186,032 \$ (1,069,116) \$ (3,658,495)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Van Buren County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

The school department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$33,354 and teachers contributed \$15,627 to this deferred compensation pension plan.

E. Other Postemployment Benefits (OPEB)

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

Plan Description. Employees of the Van Buren County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Van Buren County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Van Buren County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	<u>110</u>
Total	<u><u>118</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$80,168 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		Total OPEB Liability
	Van Buren County School Department 74.7032%	State of TN 25.2968%	
Balance July 1, 2018	\$ 1,511,137	\$ 551,120	\$ 2,062,257
Changes for the Year:			
Service Cost	\$ 63,899	\$ 21,638	\$ 85,537
Interest	56,520	19,140	75,660
Changes in Benefit Terms	355,551	120,400	475,951
Difference between Expected and Actuarial Experience	195,039	66,046	261,085
Changes in Proportion	29,435	(29,435)	0
Changes in Assumption and Other Inputs	(142,217)	(48,159)	(190,376)
Benefit Payments	(87,046)	(29,476)	(116,522)
Net Changes	\$ 471,181	\$ 120,154	\$ 591,335
Balance June 30, 2019	\$ 1,982,318	\$ 671,274	\$ 2,653,592

The Van Buren County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Van Buren County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is recognized revenue of \$158,584 for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees.

During the year, the Van Buren County School Department's proportionate share of the collective OPEB liability was 74.7032% and the State of Tennessee's share was 25.2968%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of (\$677,584), including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 413,369	\$ 0
Changes of Assumptions/Inputs	33,261	171,537
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	112,729	0
Benefits Paid After the Measurement Date of June 30, 2019	80,168	0
Total	<u>\$ 639,527</u>	<u>\$ 171,537</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ 43,327
2022	43,327
2023	43,327
2024	43,327
2025	43,327
Thereafter	171,187

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	Current Discount Rate
1% Decrease 2.51%	1% Increase 3.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,116,732	\$ 1,982,318	\$ 1,853,376
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	Current Rates
1% Decrease 5.03 to 3.5%	1% Increase 6.03 to 4.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,791,309	\$ 1,982,318	\$ 2,204,059
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F. Purchasing Laws

Offices of County Mayor and Road Superintendent

On July 17, 2018, the county adopted the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated*. Purchasing procedures for the Office of County Mayor are also governed by Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, which provide for competitive bids to be solicited on all purchases exceeding \$2,500. Purchasing procedures for the highway department are also governed by Chapter 460, Private Acts of 1951, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Uniform Road Law). Provisions of the Uniform Road Law require all purchases exceeding \$10,000 to be based on publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Van Buren County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Van Buren County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 215,836	\$ 216,460	\$ 241,271	\$ 253,260	\$ 283,130	\$ 284,637
Interest	501,978	517,166	574,186	613,673	639,649	666,370
Differences Between Actual and Expected Experience	(155,422)	402,137	80,522	(84,612)	(175,620)	1,905
Changes in Assumptions	0	0	0	212,081	0	0
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)	(380,471)	(387,208)	(372,983)
Net Change in Total Pension Liability	\$ 259,529	\$ 717,626	\$ 513,495	\$ 613,931	\$ 359,951	\$ 579,929
Total Pension Liability, Beginning	6,628,631	6,888,160	7,605,786	8,119,281	8,733,212	9,093,163
Total Pension Liability, Ending (a)	\$ 6,888,160	\$ 7,605,786	\$ 8,119,281	\$ 8,733,212	\$ 9,093,163	\$ 9,673,092
Plan Fiduciary Net Position						
Contributions - Employer	\$ 246,515	\$ 274,646	\$ 287,124	\$ 316,801	\$ 341,192	\$ 365,642
Contributions - Employee	139,749	148,427	155,036	171,061	176,262	188,930
Net Investment Income	997,246	217,220	193,514	857,310	707,960	698,468
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)	(380,471)	(387,208)	(372,983)
Administrative Expense	(4,054)	(5,977)	(9,127)	(11,296)	(12,419)	(12,436)
Other	0	0	0	385	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,076,593	\$ 216,179	\$ 244,063	\$ 953,790	\$ 825,787	\$ 867,621
Plan Fiduciary Net Position, Beginning	5,979,509	7,056,102	7,272,281	7,516,344	8,470,134	9,295,921
Plan Fiduciary Net Position, Ending (b)	\$ 7,056,102	\$ 7,272,281	\$ 7,516,344	\$ 8,470,134	\$ 9,295,921	\$ 10,163,542
Net Pension Liability (Asset), Ending (a - b)	\$ (167,942)	\$ 333,505	\$ 602,937	\$ 263,078	\$ (202,758)	\$ (490,450)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.44%	92.65%	92.57%	96.99%	102.23%	105.07%
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384	\$ 3,421,181	\$ 3,524,711	\$ 3,777,289
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(6.01)%	11.24%	19.43%	7.69%	(5.75)%	(12.98)%

Note: Ten years of data will be presented when available.

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Van Buren County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 246,515	\$ 274,646	\$ 287,124	\$ 316,801	\$ 341,192	\$ 365,642	\$ 256,678
Less Contributions in Relation to the Actuarially Determined Contribution	(246,515)	(274,646)	(287,124)	(316,801)	(341,192)	(365,642)	(256,678)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384	\$ 3,421,181	\$ 3,524,711	\$ 3,777,289	\$ 3,688,707
Contributions as a Percentage of Covered Payroll	8.82%	9.26%	9.25%	9.26%	9.68%	9.68%	6.96%

Note: Ten years of data will be presented when available.

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

Van Buren County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 2,008	\$ 11,320	\$ 10,262	\$ 13,716	\$ 10,102	\$ 13,755
Less Contributions in Relation to the Contractually Required Contribution	(2,008)	(11,320)	(10,262)	(13,716)	(10,102)	(13,755)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 50,200	\$ 282,995	\$ 256,545	\$ 342,895	\$ 520,700	\$ 681,200
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.02%

Note: Ten years of data will be presented when available.

Exhibit E-4

Van Buren County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 317,296	\$ 310,271	\$ 294,848	\$ 311,873	\$ 330,726	\$ 364,703	\$ 365,076
Less Contributions in Relation to the Contractually Required Contribution	(317,296)	(310,271)	(294,848)	(311,873)	(330,726)	(364,703)	(365,076)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590	\$ 3,449,923	\$ 3,642,359	\$ 3,486,645	\$ 3,430,395
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.64%

Note: Ten years of data will be presented when available.

Exhibit E-5

Van Buren County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.023662%	0.064316%	0.039088%	0.039238%	0.049206%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (972)	\$ (6,696)	\$ (10,312)	\$ (17,796)	\$ (27,776)
Covered Payroll	\$ 50,200	\$ 282,995	\$ 256,545	\$ 342,895	\$ 520,700
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

Note: Ten years of data will be presented when available.

Exhibit E-6

Van Buren County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.091036%	0.091684%	0.090354%	0.097595%	0.104018%	0.103981%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,793)	\$ 37,557	\$ 564,662	\$ (31,930)	\$ (366,029)	\$ (1,069,116)
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590	\$ 3,449,923	\$ 3,642,359	\$ 3,486,645
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

Note: Ten years of data will be presented when available.

Exhibit E-7

Van Buren County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30

Total OPEB Liability	2017	2018	2019
Service Cost	\$ 84,945	\$ 78,443	\$ 85,537
Interest	58,421	69,578	75,660
Changes in Benefit Terms	0	(357,392)	475,951
Differences Between Actual and Expected Experience	0	392,489	261,085
Changes in Assumptions or Other Inputs	(83,711)	54,642	(190,376)
Benefit Payments	(95,871)	(102,991)	(116,522)
Net Change in Total OPEB Liability	\$ (36,216)	\$ 134,769	\$ 591,335
Total OPEB Liability, Beginning	1,963,704	1,927,488	2,062,257
Total OPEB Liability, Ending	<u>\$ 1,927,488</u>	<u>\$ 2,062,257</u>	<u>\$ 2,653,592</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 624,540	\$ 551,120	\$ 671,274
Employer Proportionate Share of the Total OPEB Liability	1,302,948	1,511,137	1,982,318
Covered Employee Payroll	\$ 5,297,169	\$ 5,431,171	\$ 5,153,075
Net OPEB Liability as a Percentage of Covered Employee Payroll	36.29%	37.97%	51.50%

Notes:

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4% to 6.75%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

VAN BUREN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Early Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.25%

Changes in Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions involving solid waste collection.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied to provide funding for Van Buren County Volunteer Fire Departments.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

General Capital Projects Fund

The General Capital Projects Fund is used to account for the construction and renovation of various county buildings and the purchase of capital assets. This fund was closed during the year.

Exhibit F-1

Van Buren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 395	\$ 395
Equity in Pooled Cash and Investments	32,242	4,854	22,864	100,794	0	160,754
Accounts Receivable	0	11,575	0	0	1,226	12,801
Allowance for Uncollectibles	0	(989)	0	0	0	(989)
Property Taxes Receivable	0	28,788	158,467	0	0	187,255
Allowance for Uncollectible Property Taxes	0	(825)	(8,223)	0	0	(9,048)
Total Assets	<u>\$ 32,242</u>	<u>\$ 43,403</u>	<u>\$ 173,108</u>	<u>\$ 100,794</u>	<u>\$ 1,621</u>	<u>\$ 351,168</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 37,207	\$ 0	\$ 40,147	\$ 0	\$ 77,354
Payroll Deductions Payable	627	348	0	0	0	975
Due to Other Funds	0	8,248	0	0	1,621	9,869
Due to State of Tennessee	70	158	0	0	0	228
Total Liabilities	<u>\$ 697</u>	<u>\$ 45,961</u>	<u>\$ 0</u>	<u>\$ 40,147</u>	<u>\$ 1,621</u>	<u>\$ 88,426</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 27,963	\$ 139,814	\$ 0	\$ 0	\$ 167,777
Deferred Delinquent Property Taxes	0	0	8,139	0	0	8,139
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 27,963</u>	<u>\$ 147,953</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,916</u>

(Continued)

Exhibit F-1

Van Buren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 31,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,545
Restricted for Public Safety	0	0	25,155	60,647	0	85,802
Unassigned	0	(30,521)	0	0	0	(30,521)
Total Fund Balances	<u>\$ 31,545</u>	<u>\$ (30,521)</u>	<u>\$ 25,155</u>	<u>\$ 60,647</u>	<u>\$ 0</u>	<u>\$ 86,826</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,242</u>	<u>\$ 43,403</u>	<u>\$ 173,108</u>	<u>\$ 100,794</u>	<u>\$ 1,621</u>	<u>\$ 351,168</u>

Exhibit F-2

Van Buren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 78,620	\$ 0	\$ 171,612	\$ 0	\$ 0	\$ 250,232
Fines, Forfeitures, and Penalties	0	0	0	34,449	0	34,449
Charges for Current Services	0	386,043	0	0	30	386,073
Other Local Revenues	0	139,400	0	0	0	139,400
Total Revenues	\$ 78,620	\$ 525,443	\$ 171,612	\$ 34,449	\$ 30	\$ 810,154
<u>Expenditures</u>						
Current:						
General Government	\$ 75,722	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,722
Finance	0	0	0	0	30	30
Public Safety	0	0	149,876	40,401	0	190,277
Public Health and Welfare	0	628,995	0	0	0	628,995
Other Operations	806	0	3,391	197	0	4,394
Total Expenditures	\$ 76,528	\$ 628,995	\$ 153,267	\$ 40,598	\$ 30	\$ 899,418
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,092	\$ (103,552)	\$ 18,345	\$ (6,149)	\$ 0	\$ (89,264)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 17,500	\$ 2,000	\$ 0	\$ 0	\$ 19,500
Capital Leases Issued	0	168,900	0	0	0	168,900
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 186,400	\$ 2,000	\$ 0	\$ 0	\$ 188,400
Net Change in Fund Balances	\$ 2,092	\$ 82,848	\$ 20,345	\$ (6,149)	\$ 0	\$ 99,136
Fund Balance, July 1, 2019	29,453	(113,369)	4,810	66,796	0	(12,310)
Fund Balance, June 30, 2020	\$ 31,545	\$ (30,521)	\$ 25,155	\$ 60,647	\$ 0	\$ 86,826

(Continued)

Exhibit F-2

Van Buren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Capital Projects Fund		Total Nonmajor Governmental Funds	
	General Capital Projects			
<u>Revenues</u>				
Local Taxes	\$	0	\$	250,232
Fines, Forfeitures, and Penalties		0		34,449
Charges for Current Services		0		386,073
Other Local Revenues		7,679		147,079
Total Revenues	\$	7,679	\$	817,833
<u>Expenditures</u>				
Current:				
General Government	\$	0	\$	75,722
Finance		0		30
Public Safety		0		190,277
Public Health and Welfare		0		628,995
Other Operations		0		4,394
Total Expenditures	\$	0	\$	899,418
Excess (Deficiency) of Revenues Over Expenditures	\$	7,679	\$	(81,585)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$	0	\$	19,500
Capital Leases Issued		0		168,900
Transfers Out		(390,585)		(390,585)
Total Other Financing Sources (Uses)	\$	(390,585)	\$	(202,185)
Net Change in Fund Balances	\$	(382,906)	\$	(283,770)
Fund Balance, July 1, 2019		382,906		370,596
Fund Balance, June 30, 2020	\$	0	\$	86,826

Exhibit F-3

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 78,620	\$ 75,000	\$ 75,000	\$ 3,620
Total Revenues	\$ 78,620	\$ 75,000	\$ 75,000	\$ 3,620
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 75,722	\$ 0	\$ 76,545	\$ 823
<u>Other Operations</u>				
Other Charges	806	1,500	2,400	1,594
Total Expenditures	\$ 76,528	\$ 1,500	\$ 78,945	\$ 2,417
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,092	\$ 73,500	\$ (3,945)	\$ 6,037
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (73,000)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ (73,000)	\$ 0	\$ 0
Net Change in Fund Balance	\$ 2,092	\$ 500	\$ (3,945)	\$ 6,037
Fund Balance, July 1, 2019	29,453	24,788	24,788	4,665
Fund Balance, June 30, 2020	\$ 31,545	\$ 25,288	\$ 20,843	\$ 10,702

Exhibit F-4

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 386,043	\$ 514,970	\$ 514,970	\$ (128,927)
Other Local Revenues	139,400	46,000	171,000	(31,600)
Total Revenues	<u>\$ 525,443</u>	<u>\$ 560,970</u>	<u>\$ 685,970</u>	<u>\$ (160,527)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 113,055	\$ 86,539	\$ 98,939	\$ (14,116)
Convenience Centers	506,769	196,099	273,109	(233,660)
Landfill Operation and Maintenance	9,171	183,000	183,000	173,829
Total Expenditures	<u>\$ 628,995</u>	<u>\$ 465,638</u>	<u>\$ 555,048</u>	<u>\$ (73,947)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (103,552)</u>	<u>\$ 95,332</u>	<u>\$ 130,922</u>	<u>\$ (234,474)</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 17,500	0	\$ 17,500	0
Capital Leases Issued	168,900	0	0	168,900
Total Other Financing Sources	<u>\$ 186,400</u>	<u>\$ 0</u>	<u>\$ 17,500</u>	<u>\$ 168,900</u>
Net Change in Fund Balance	\$ 82,848	\$ 95,332	\$ 148,422	\$ (65,574)
Fund Balance, July 1, 2019	<u>(113,369)</u>	<u>24,999</u>	<u>24,999</u>	<u>(138,368)</u>
Fund Balance, June 30, 2020	<u><u>\$ (30,521)</u></u>	<u><u>\$ 120,331</u></u>	<u><u>\$ 173,421</u></u>	<u><u>\$ (203,942)</u></u>

Exhibit F-5

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 171,612	\$ 164,670	\$ 164,670	\$ 6,942
Other Local Revenues	0	800	800	(800)
Total Revenues	<u>\$ 171,612</u>	<u>\$ 165,470</u>	<u>\$ 165,470</u>	<u>\$ 6,142</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 149,876	\$ 148,000	\$ 149,900	\$ 24
<u>Other Operations</u>				
Other Charges	3,391	2,800	3,800	409
Total Expenditures	<u>\$ 153,267</u>	<u>\$ 150,800</u>	<u>\$ 153,700</u>	<u>\$ 433</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 18,345</u>	<u>\$ 14,670</u>	<u>\$ 11,770</u>	<u>\$ 6,575</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 2,000	0	2,000	0
Total Other Financing Sources	<u>\$ 2,000</u>	<u>0</u>	<u>2,000</u>	<u>0</u>
Net Change in Fund Balance	\$ 20,345	\$ 14,670	\$ 13,770	\$ 6,575
Fund Balance, July 1, 2019	<u>4,810</u>	<u>5,322</u>	<u>5,322</u>	<u>(512)</u>
Fund Balance, June 30, 2020	<u><u>\$ 25,155</u></u>	<u><u>\$ 19,992</u></u>	<u><u>\$ 19,092</u></u>	<u><u>\$ 6,063</u></u>

Exhibit F-6

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 34,449	\$ 7,700	\$ 7,700	\$ 26,749
Total Revenues	\$ 34,449	\$ 7,700	\$ 7,700	\$ 26,749
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 40,401	\$ 254	\$ 42,254	\$ 1,853
<u>Other Operations</u>				
Other Charges	197	150	162	(35)
Total Expenditures	\$ 40,598	\$ 404	\$ 42,416	\$ 1,818
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,149)	\$ 7,296	\$ (34,716)	\$ 28,567
Net Change in Fund Balance	\$ (6,149)	\$ 7,296	\$ (34,716)	\$ 28,567
Fund Balance, July 1, 2019	66,796	78,086	78,086	(11,290)
Fund Balance, June 30, 2020	\$ 60,647	\$ 85,382	\$ 43,370	\$ 17,277

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit G

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 273,308	\$ 309,904	\$ 309,904	\$ (36,596)
State of Tennessee	21,922	25,000	25,000	(3,078)
Other Governments and Citizens Groups	119,620	0	119,620	0
Total Revenues	<u>\$ 414,850</u>	<u>\$ 334,904</u>	<u>\$ 454,524</u>	<u>\$ (39,674)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 7,115,963	\$ 0	\$ 7,252,963	\$ 137,000
Education	77,000	0	77,000	0
<u>Interest on Debt</u>				
General Government	166,430	402,507	185,544	19,114
Education	42,620	0	42,620	0
<u>Other Debt Service</u>				
General Government	196,648	4,500	196,887	239
Total Expenditures	<u>\$ 7,598,661</u>	<u>\$ 407,007</u>	<u>\$ 7,755,014</u>	<u>\$ 156,353</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,183,811)</u>	<u>\$ (72,103)</u>	<u>\$ (7,300,490)</u>	<u>\$ 116,679</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 7,000,000	\$ 0	\$ 7,000,000	\$ 0
Transfers In	490,585	75,000	185,000	305,585
Total Other Financing Sources	<u>\$ 7,490,585</u>	<u>\$ 75,000</u>	<u>\$ 7,185,000</u>	<u>\$ 305,585</u>
Net Change in Fund Balance	<u>\$ 306,774</u>	<u>\$ 2,897</u>	<u>\$ (115,490)</u>	<u>\$ 422,264</u>
Fund Balance, July 1, 2019	<u>55,369</u>	<u>135,809</u>	<u>135,809</u>	<u>(80,440)</u>
Fund Balance, June 30, 2020	<u><u>\$ 362,143</u></u>	<u><u>\$ 138,706</u></u>	<u><u>\$ 20,319</u></u>	<u><u>\$ 341,824</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Van Buren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 559,219	\$ 559,219
Due from Other Governments	24,635	0	24,635
Total Assets	<u>\$ 24,635</u>	<u>\$ 559,219</u>	<u>\$ 583,854</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 24,635	\$ 0	\$ 24,635
Due to Litigants, Heirs, and Others	0	559,219	559,219
Total Liabilities	<u>\$ 24,635</u>	<u>\$ 559,219</u>	<u>\$ 583,854</u>

Exhibit H-2

Van Buren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 122,161	\$ 122,161	\$ 0
Due from Other Governments	17,192	24,635	17,192	24,635
Total Assets	\$ 17,192	\$ 146,796	\$ 139,353	\$ 24,635
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 17,192	\$ 146,796	\$ 139,353	\$ 24,635
Total Liabilities	\$ 17,192	\$ 146,796	\$ 139,353	\$ 24,635
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 606,731	\$ 1,535,169	\$ 1,582,681	\$ 559,219
Total Assets	\$ 606,731	\$ 1,535,169	\$ 1,582,681	\$ 559,219
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 606,731	\$ 1,535,169	\$ 1,582,681	\$ 559,219
Total Liabilities	\$ 606,731	\$ 1,535,169	\$ 1,582,681	\$ 559,219
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 606,731	\$ 1,535,169	\$ 1,582,681	\$ 559,219
Equity in Pooled Cash and Investments	0	122,161	122,161	0
Due from Other Governments	17,192	24,635	17,192	24,635
Total Assets	\$ 623,923	\$ 1,681,965	\$ 1,722,034	\$ 583,854
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 17,192	\$ 146,796	\$ 139,353	\$ 24,635
Due to Litigants, Heirs, and Others	606,731	1,535,169	1,582,681	559,219
Total Liabilities	\$ 623,923	\$ 1,681,965	\$ 1,722,034	\$ 583,854

Van Buren County School Department

This section presents combining and individual fund financial statements for the Van Buren County School Department, a discretely presented component unit. The Van Buren County School Department uses a General Fund and two Special Revenue Funds.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Exhibit I-1

Van Buren County, Tennessee
Statement of Activities
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 5,032,213	\$ 16,790	\$ 443,922	\$ 36,000	\$ (4,535,501)
Support Services	3,267,263	0	175,527	0	(3,091,736)
Operation of Non-instructional Services	1,015,451	50,540	701,475	0	(263,436)
Interest on Long-term Debt	42,620	0	0	0	(42,620)
Total Governmental Activities	<u>\$ 9,357,547</u>	<u>\$ 67,330</u>	<u>\$ 1,320,924</u>	<u>\$ 36,000</u>	<u>\$ (7,933,293)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 761,670
Local Option Sales Tax					520,596
Hotel/Motel Tax					79,860
Grants and Contributions Not Restricted to Specific Programs					5,516,777
Miscellaneous					6,682
Total General Revenues					<u>\$ 6,885,585</u>
Change in Net Position					\$ (1,047,708)
Net Position, July 1, 2019					<u>6,772,217</u>
Net Position, June 30, 2020					<u><u>\$ 5,724,509</u></u>

Exhibit I-2

Van Buren County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2020

	Major Fund	Nonmajor Funds	Total
	General Purpose School	Other Governmental Funds	Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 1,018,589	\$ 212,041	\$ 1,230,630
Accounts Receivable	3,192	450	3,642
Due from Other Governments	192,662	112,432	305,094
Due from Other Funds	59,961	8,687	68,648
Property Taxes Receivable	858,252	0	858,252
Allowance for Uncollectible Property Taxes	(41,471)	0	(41,471)
Restricted Assets	25,573	0	25,573
Total Assets	<u>\$ 2,116,758</u>	<u>\$ 333,610</u>	<u>\$ 2,450,368</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 14,200	\$ 1,557	\$ 15,757
Due to Other Funds	0	68,648	68,648
Due to State of Tennessee	5,807	125	5,932
Total Liabilities	<u>\$ 20,007</u>	<u>\$ 70,330</u>	<u>\$ 90,337</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 768,978	\$ 0	\$ 768,978
Deferred Delinquent Property Taxes	37,303	0	37,303
Other Deferred/Unavailable Revenue	59,846	0	59,846
Total Deferred Inflows of Resources	<u>\$ 866,127</u>	<u>\$ 0</u>	<u>\$ 866,127</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,138	\$ 163,280	\$ 164,418
Restricted for Hybrid Retirement Stabilization Funds	25,573	0	25,573
Committed:			
Committed for Education	0	100,000	100,000
Unassigned	1,203,913	0	1,203,913
Total Fund Balances	<u>\$ 1,230,624</u>	<u>\$ 263,280</u>	<u>\$ 1,493,904</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,116,758</u>	<u>\$ 333,610</u>	<u>\$ 2,450,368</u>

Exhibit I-3

Van Buren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Van Buren County School Department
June 30, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 1,493,904
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 322,022	
Add: buildings and improvements net of accumulated depreciation	5,009,951	
Add: infrastructure net of accumulated depreciation	228	
Add: other capital assets net of accumulated depreciation	<u>812,912</u>	6,145,113
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for bonds	\$ (1,442,000)	
Less: compensated absences payable	(17,427)	
Less: net OPEB liabilities	<u>(1,982,318)</u>	(3,441,745)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 760,501	
Less: deferred inflows of resources related to pensions	(1,072,102)	
Add: deferred outflows of resources related to OPEB	639,527	
Less: deferred inflows of resources related to OPEB	<u>(171,537)</u>	156,389
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 176,807	
Add: net pension asset - teacher retirement plan	27,776	
Add: net pension asset - teacher legacy plan	<u>1,069,116</u>	1,273,699
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>97,149</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 5,724,509</u></u>

Exhibit I-4

Van Buren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,401,074	\$ 0	\$ 1,401,074
Licenses and Permits	332	0	332
Charges for Current Services	16,790	50,540	67,330
Other Local Revenues	11,689	498	12,187
State of Tennessee	5,813,919	6,944	5,820,863
Federal Government	26,072	1,005,547	1,031,619
Total Revenues	<u>\$ 7,269,876</u>	<u>\$ 1,063,529</u>	<u>\$ 8,333,405</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,149,377	\$ 428,386	\$ 4,577,763
Support Services	3,198,080	51,356	3,249,436
Operation of Non-Instructional Services	452,574	562,877	1,015,451
Capital Outlay	501,408	0	501,408
Debt Service:			
Principal on Debt	77,000	0	77,000
Interest on Debt	42,620	0	42,620
Total Expenditures	<u>\$ 8,421,059</u>	<u>\$ 1,042,619</u>	<u>\$ 9,463,678</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,151,183)</u>	<u>\$ 20,910</u>	<u>\$ (1,130,273)</u>
Net Change in Fund Balances	\$ (1,151,183)	\$ 20,910	\$ (1,130,273)
Fund Balance, July 1, 2019	2,381,807	242,370	2,624,177
Fund Balance, June 30, 2020	<u>\$ 1,230,624</u>	<u>\$ 263,280</u>	<u>\$ 1,493,904</u>

Exhibit I-5

Van Buren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

Amounts reported for governmental activities in the statement
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (1,130,273)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 552,183	
Less: current-year depreciation expense	<u>(337,221)</u>	214,962
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (80,113)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>97,149</u>	17,036
(3) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on bonds to primary government		77,000
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (3,763)	
Change in other postemployment benefits liabilities	(471,181)	
Change in deferred outflows related to OPEB	154,159	
Change in deferred inflows related to OPEB	(122,107)	
Change in net pension asset - agent plan	103,085	
Change in net pension asset - teacher retirement plan	9,980	
Change in net pension asset - teacher legacy plan	703,087	
Change in deferred outflows related to pensions	(208,135)	
Change in deferred inflows related to pensions	<u>(391,558)</u>	<u>(226,433)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,047,708)</u>

Exhibit I-6

Van Buren County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2020

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 80,658	\$ 131,383	\$ 212,041
Accounts Receivable	0	450	450
Due from Other Governments	87,990	24,442	112,432
Due from Other Funds	0	8,687	8,687
Total Assets	<u>\$ 168,648</u>	<u>\$ 164,962</u>	<u>\$ 333,610</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 0	\$ 1,557	\$ 1,557
Due to Other Funds	68,648	0	68,648
Due to State of Tennessee	0	125	125
Total Liabilities	<u>\$ 68,648</u>	<u>\$ 1,682</u>	<u>\$ 70,330</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 163,280	\$ 163,280
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,000</u>	<u>\$ 163,280</u>	<u>\$ 263,280</u>
Total Liabilities and Fund Balances	<u>\$ 168,648</u>	<u>\$ 164,962</u>	<u>\$ 333,610</u>

Exhibit I-7

Van Buren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 50,540	\$ 50,540
Other Local Revenues	0	498	498
State of Tennessee	0	6,944	6,944
Federal Government	489,410	516,137	1,005,547
Total Revenues	<u>\$ 489,410</u>	<u>\$ 574,119</u>	<u>\$ 1,063,529</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 428,386	\$ 0	\$ 428,386
Support Services	51,356	0	51,356
Operation of Non-Instructional Services	9,856	553,021	562,877
Total Expenditures	<u>\$ 489,598</u>	<u>\$ 553,021</u>	<u>\$ 1,042,619</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (188)</u>	<u>\$ 21,098</u>	<u>\$ 20,910</u>
Net Change in Fund Balances	\$ (188)	\$ 21,098	\$ 20,910
Fund Balance, July 1, 2019	<u>100,188</u>	<u>142,182</u>	<u>242,370</u>
Fund Balance, June 30, 2020	<u><u>\$ 100,000</u></u>	<u><u>\$ 163,280</u></u>	<u><u>\$ 263,280</u></u>

Exhibit I-8

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Van Buren County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,401,074	\$ 0	\$ 1,401,074	\$ 1,268,000	\$ 1,268,000	\$ 133,074
Licenses and Permits	332	0	332	200	200	132
Charges for Current Services	16,790	0	16,790	29,000	29,000	(12,210)
Other Local Revenues	11,689	0	11,689	28,000	28,000	(16,311)
State of Tennessee	5,813,919	0	5,813,919	5,745,897	5,786,499	27,420
Federal Government	26,072	0	26,072	36,000	36,000	(9,928)
Total Revenues	\$ 7,269,876	\$ 0	\$ 7,269,876	\$ 7,107,097	\$ 7,147,699	\$ 122,177
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,444,286	\$ 0	\$ 3,444,286	\$ 3,751,000	\$ 3,561,000	\$ 116,714
Special Education Program	442,244	0	442,244	606,300	606,300	164,056
Career and Technical Education Program	262,847	0	262,847	303,200	273,200	10,353
<u>Support Services</u>						
Attendance	83,114	0	83,114	87,600	87,600	4,486
Health Services	162,308	0	162,308	195,200	193,200	30,892
Other Student Support	225,903	0	225,903	294,700	294,700	68,797
Regular Instruction Program	286,937	0	286,937	332,000	310,000	23,063
Special Education Program	164,504	0	164,504	171,300	177,300	12,796
Career and Technical Education Program	84	0	84	6,280	6,280	6,196
Technology	229,305	0	229,305	331,000	318,000	88,695
Other Programs	40,602	0	40,602	0	40,602	0
Board of Education	167,457	0	167,457	205,900	201,900	34,443
Director of Schools	141,042	0	141,042	151,900	146,900	5,858
Office of the Principal	414,565	0	414,565	419,900	430,900	16,335

(Continued)

Exhibit I-8

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Van Buren County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Fiscal Services	\$ 162,120	\$ 0	\$ 162,120	\$ 188,700	\$ 196,700	\$ 34,580
Operation of Plant	576,118	0	576,118	785,300	693,300	117,182
Maintenance of Plant	107,748	0	107,748	155,400	135,400	27,652
Transportation	436,273	0	436,273	524,200	483,200	46,927
<u>Operation of Non-Instructional Services</u>						
Community Services	225,658	0	225,658	350,400	304,400	78,742
Early Childhood Education	226,916	0	226,916	313,300	288,300	61,384
<u>Capital Outlay</u>						
Regular Capital Outlay	501,408	(358,000)	143,408	756,000	290,000	146,592
<u>Principal on Debt</u>						
Education	77,000	0	77,000	95,000	95,000	18,000
<u>Interest on Debt</u>						
Education	42,620	0	42,620	50,000	50,000	7,380
<u>Other Debt Service</u>						
Education	0	0	0	10,000	10,000	10,000
Total Expenditures	\$ 8,421,059	\$ (358,000)	\$ 8,063,059	\$ 10,084,580	\$ 9,194,182	\$ 1,131,123
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ (1,151,183)	\$ 358,000	\$ (793,183)	\$ (2,977,483)	\$ (2,046,483)	\$ 1,253,300
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)

(Continued)

Exhibit I-8

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Van Buren County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (1,151,183)	\$ 358,000	\$ (793,183)	\$ (2,972,483)	\$ (2,041,483)	\$ 1,248,300
Fund Balance, July 1, 2019	2,381,807	(358,000)	2,023,807	3,574,242	3,574,242	(1,550,435)
Fund Balance, June 30, 2020	\$ 1,230,624	\$ 0	\$ 1,230,624	\$ 601,759	\$ 1,532,759	\$ (302,135)

Exhibit I-9

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Van Buren County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 489,410	\$ 459,341	\$ 718,772	\$ (229,362)
Total Revenues	\$ 489,410	\$ 459,341	\$ 718,772	\$ (229,362)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 223,219	\$ 281,748	\$ 281,748	\$ 58,529
Special Education Program	146,529	7,132	195,243	48,714
Career and Technical Education Program	48,074	46,544	48,077	3
COVID-19 Expenditures	10,564	0	10,564	0
<u>Support Services</u>				
Other Student Support	6,463	59,409	57,876	51,413
Regular Instruction Program	765	34,744	34,744	33,979
Special Education Program	30,293	28,917	67,036	36,743
Career and Technical Education Program	847	847	847	0
Transportation	207	0	0	(207)
COVID-19 Expenditures	12,781	0	12,781	0
<u>Operation of Non-Instructional Services</u>				
COVID-19 Expenditures	9,856	0	9,856	0
Total Expenditures	\$ 489,598	\$ 459,341	\$ 718,772	\$ 229,174
Excess (Deficiency) of Revenues Over Expenditures	\$ (188)	\$ 0	\$ 0	\$ (188)
Net Change in Fund Balance	\$ (188)	\$ 0	\$ 0	\$ (188)
Fund Balance, July 1, 2019	100,188	0	0	100,188
Fund Balance, June 30, 2020	\$ 100,000	\$ 0	\$ 0	\$ 100,000

Exhibit I-10

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Van Buren County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 50,540	\$ 123,000	\$ 123,000	\$ (72,460)
Other Local Revenues	498	2,000	2,000	(1,502)
State of Tennessee	6,944	5,000	5,000	1,944
Federal Government	516,137	440,000	440,000	76,137
Total Revenues	<u>\$ 574,119</u>	<u>\$ 570,000</u>	<u>\$ 570,000</u>	<u>\$ 4,119</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 553,021	\$ 721,100	\$ 661,100	\$ 108,079
Total Expenditures	<u>\$ 553,021</u>	<u>\$ 721,100</u>	<u>\$ 661,100</u>	<u>\$ 108,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,098</u>	<u>\$ (151,100)</u>	<u>\$ (91,100)</u>	<u>\$ 112,198</u>
Net Change in Fund Balance	\$ 21,098	\$ (151,100)	\$ (91,100)	\$ 112,198
Fund Balance, July 1, 2019	<u>142,182</u>	<u>162,453</u>	<u>162,453</u>	<u>(20,271)</u>
Fund Balance, June 30, 2020	<u>\$ 163,280</u>	<u>\$ 11,353</u>	<u>\$ 71,353</u>	<u>\$ 91,927</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Van Buren County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Debt Terminated	Outstanding 6-30-20
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Bonds, Series 2019	\$ 7,000,000	1.39 to 2.75 %	11-22-19	6-1-44	\$ 0	\$ 7,000,000	\$ 225,000	\$ 0	\$ 6,775,000
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund									
School Refunding Bond, Series 2014	1,804,445	3.33	(1) 12-12-14	10-1-34	1,519,000	0	77,000	0	1,442,000
Total Bonds Payable					\$ 1,519,000	\$ 7,000,000	\$ 302,000	\$ 0	\$ 8,217,000
NOTES PAYABLE									
Payable through General Debt Service Fund									
Administration/Justice Center, Series 2017	2,000,000	3	6-27-17	11-22-19	\$ 1,773,169	\$ 0	\$ 1,773,169	\$ 0	\$ 0
Administration/Justice Center, Series 2017	2,000,000	3	9-29-17	11-22-19	1,804,155	0	1,804,155	0	0
Administration/Justice Center, Series 2017	2,000,000	3	12-13-17	11-22-19	1,903,185	0	1,903,185	0	0
Administration/Justice Center, Series 2018	1,500,000	3	3-30-18	11-22-19	1,410,454	0	1,410,454	0	0
Total Payable through General Debt Service Fund					\$ 6,890,963	\$ 0	\$ 6,890,963	\$ 0	\$ 0
Payable through General Fund									
Tax Anticipation Extension Note, Series 2020	519,500	1.53	6-29-20	6-30-25	\$ 0	\$ 519,500	\$ 0	\$ 0	\$ 519,500
Total Notes Payable					\$ 6,890,963	\$ 519,500	\$ 6,890,963	\$ 0	\$ 519,500
CAPITAL LEASES PAYABLE									
Payable through Solid Waste/Sanitation Fund									
Freightliner Roll-off Truck	168,900	6.64	11-16-18	12-1-19	\$ 147,061	\$ 0	\$ 19,403	\$ 127,658 (2)	\$ 0
Freightliner Roll-off Truck	168,900	5.94	12-1-19	3-1-21	0	168,900	15,001	0	153,899
Total Capital Leases Payable					\$ 147,061	\$ 168,900	\$ 34,404	127,658	\$ 153,899

- (1) The interest rate increased from 2.69 percent to 3.33 percent effective December 12, 2019. According to the bond purchase agreement, the purchaser had the option to modify the interest rate on the fifth anniversary of issuance upon notification to the county and the administrator.
- (2) The county terminated the lease agreement without exercising the purchase option (see Note 1.D.9.).

Exhibit J-2

Van Buren County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 304,000	\$ 199,043	\$ 503,043
2022	311,000	193,185	504,185
2023	314,000	187,125	501,125
2024	321,000	180,915	501,915
2025	328,000	174,491	502,491
2026	331,000	167,552	498,552
2027	338,000	160,287	498,287
2028	346,000	152,609	498,609
2029	353,000	144,504	497,504
2030	361,000	135,963	496,963
2031	368,000	126,976	494,976
2032	376,000	117,667	493,667
2033	389,000	108,011	497,011
2034	397,000	97,892	494,892
2035	405,000	87,414	492,414
2036	300,000	78,540	378,540
2037	305,000	71,190	376,190
2038	315,000	63,565	378,565
2039	320,000	55,532	375,532
2040	330,000	47,213	377,213
2041	340,000	38,467	378,467
2042	345,000	29,288	374,288
2043	355,000	19,800	374,800
2044	365,000	10,037	375,037
Total	<u>\$ 8,217,000</u>	<u>\$ 2,647,266</u>	<u>\$ 10,864,266</u>
Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 103,900	\$ 7,970	\$ 111,870
2022	103,900	6,359	110,259
2023	103,900	4,769	108,669
2024	103,900	3,188	107,088
2025	103,900	1,590	105,490
Total	<u>\$ 519,500</u>	<u>\$ 23,876</u>	<u>\$ 543,376</u>
Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2021	<u>\$ 153,899</u>	<u>\$ 6,277</u>	<u>\$ 160,176</u>

Exhibit J-3

Van Buren County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	General Debt Service	To retire debt	\$ 100,000
General Capital Projects	"	To close capital projects fund	<u>390,585</u>
Total Transfers			<u><u>\$ 490,585</u></u>

Exhibit J-4

Van Buren County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 79,083	\$ (1)	
Road Superintendent	Section 8-24-102, <i>TCA</i>	75,318	(1)	
Director of Schools	State Board of Education and Van Buren County Board of Education	97,228 (2)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	68,471	(1)	
Assessor of Property	Section 8-24-102, <i>TCA</i>	68,471	(1)	
County Clerk	Section 8-24-102, <i>TCA</i>	68,471	(1)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	68,471	(1)	
Clerk and Master	Section 8-24-102, <i>TCA</i>	68,471	75,000	RLI Insurance Company (1)
Register of Deeds	Section 8-24-102, <i>TCA</i>	68,471	(1)	
Sheriff	Section 8-24-102, <i>TCA</i>	75,318 (3)	(1)	
Public Employees Blanket Bond:				
Public Employees Dishonesty - County and Highway Department Employees			400,000	Local Government Insurance Pool
Public Employees Dishonesty - School Employees			400,000	Tennessee Risk Management Trust

(1) Official was covered by the \$400,000 employee blanket bond.

(2) Does not include a \$1,000 bonus for certified employees or a career ladder supplement of \$1,000.

(3) Does not include a law enforcement training supplement of \$800.

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,644,689	\$ 0	\$ 0	\$ 274,115	\$ 149,517	\$ 0
Trustee's Collections - Prior Year	55,369	0	0	7,883	5,273	0
Circuit Clerk/Clerk and Master Collections - Prior Years	39,544	0	0	5,418	3,624	0
Interest and Penalty	24,228	0	0	3,712	2,261	0
Payments in-Lieu-of Taxes - T.V.A.	4,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	120,309	0	0	20,051	10,937	0
Payments in-Lieu-of Taxes - Other	19,081	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	107,788	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	4,712	0	0	0	0	0
Litigation Tax - Special Purpose	0	77,710	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	910	0	0	0	0
Business Tax	24,870	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	26,661	0	0	0	0	0
Wholesale Beer Tax	20,030	0	0	0	0	0
Beer Privilege Tax	5,131	0	0	0	0	0
Total Local Taxes	\$ 2,096,777	\$ 78,620	\$ 0	\$ 311,179	\$ 171,612	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 23,382	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 23,382	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 14,241	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,322	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	8,380
Data Entry Fee - Circuit Court	590	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	3,300	0	0	0	0	0
Officers Costs	13,463	0	0	0	0	0
Drug Control Fines	12,478	0	0	0	0	12,169
Data Entry Fee - General Sessions Court	3,870	0	0	0	0	0
<u>Juvenile Court</u>						
Data Entry Fee - Juvenile Court	88	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	1,615	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	1,500
Data Entry Fee - Other Courts	681	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	12,400
Total Fines, Forfeitures, and Penalties	\$ 52,648	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,449
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 31,911	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	0	213,147	0	0	0
Convenience Waste Centers Collection Charge	0	0	140,202	0	0	0

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 783	\$ 0	\$ 0	\$ 0
Patient Charges	0	0	0	430,720	0	0
<u>Fees</u>						
Library Fees	636	0	0	0	0	0
Telephone Commissions	18,833	0	0	0	0	0
Vending Machine Collections	17,820	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	2,850	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,200	0	0	0	0	0
Total Charges for Current Services	\$ 41,339	\$ 0	\$ 386,043	\$ 430,720	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 33,221	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	4,324	0	0	0	0	0
Sale of Recycled Materials	0	0	6,301	0	0	0
Miscellaneous Refunds	7,656	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	700	0	8,099	0	0	0
Sale of Property	142,000	0	0	0	0	0
Contributions and Gifts	0	0	125,000	0	0	0
Total Other Local Revenues	\$ 187,901	\$ 0	\$ 139,400	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 56,221	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	30,827	0	0	0	0	0
General Sessions Court Clerk	54,857	0	0	0	0	0
Clerk and Master	31,568	0	0	0	0	0
Register	38,225	0	0	0	0	0
Sheriff	6,630	0	0	0	0	0
Trustee	122,065	0	0	0	0	0
Total Fees Received From County Officials	\$ 340,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	1,628	0	0	0	0	0
Other General Government Grants	4,053	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	4,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	145,243	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	31,583	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	4,368	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	7,441	0	0	0	0	0

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 29,024	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	153,452	0	0	0	0	0
State Revenue Sharing - Telecommunications	15,287	0	0	0	0	0
Contracted Prisoner Boarding	206,349	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	95,364	0	0	0	0	0
Other State Revenues	177,652	0	0	0	0	0
Total State of Tennessee	<u>\$ 923,083</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 191,797	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	3,412	0	0	0	0	0
Other Federal through State	3,363	0	0	0	0	0
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	8,061	0	0	0	0	0
COVID-19 Grant #7	13,192	0	0	0	0	0
Other Direct Federal Revenue	9,000	0	0	0	0	0
Total Federal Government	<u>\$ 228,825</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 83,304	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Other Governments (Cont.)</u>						
Contributions	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	29,533	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 114,837</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 4,009,185</u>	<u>\$ 78,620</u>	<u>\$ 525,443</u>	<u>\$ 741,899</u>	<u>\$ 171,612</u>	<u>\$ 34,449</u>

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 124,595	\$ 0	\$ 2,192,916
Trustee's Collections - Prior Year	0	0	4,240	0	72,765
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	3,028	0	51,614
Interest and Penalty	0	0	1,847	0	32,048
Payments in-Lieu-of Taxes - T.V.A.	0	0	624	0	4,989
Payments in-Lieu-of Taxes - Local Utilities	0	0	9,114	0	160,411
Payments in-Lieu-of Taxes - Other	0	0	50,000	0	69,081
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	107,788
Hotel/Motel Tax	0	0	79,860	0	79,860
Litigation Tax - General	0	0	0	0	4,712
Litigation Tax - Special Purpose	0	0	0	0	77,710
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	910
Business Tax	0	0	0	0	24,870
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	26,661
Wholesale Beer Tax	0	0	0	0	20,030
Beer Privilege Tax	0	0	0	0	5,131
Total Local Taxes	\$ 0	\$ 0	\$ 273,308	\$ 0	\$ 2,931,496
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,382
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,382

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	14,241
Officers Costs	0	0	0	0	2,322
Drug Control Fines	0	0	0	0	8,380
Data Entry Fee - Circuit Court	0	0	0	0	590
<u>General Sessions Court</u>					
Fines	0	0	0	0	3,300
Officers Costs	0	0	0	0	13,463
Drug Control Fines	0	0	0	0	24,647
Data Entry Fee - General Sessions Court	0	0	0	0	3,870
<u>Juvenile Court</u>					
Data Entry Fee - Juvenile Court	0	0	0	0	88
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	1,615
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	1,500
Data Entry Fee - Other Courts	0	0	0	0	681
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	12,400
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	87,097
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	31,911
Residential Waste Collection Charge	0	0	0	0	213,147
Convenience Waste Centers Collection Charge	0	0	0	0	140,202

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	783
Patient Charges	0	0	0	0	430,720
<u>Fees</u>					
Library Fees	0	0	0	0	636
Telephone Commissions	0	0	0	0	18,833
Vending Machine Collections	0	0	0	0	17,820
Constitutional Officers' Fees and Commissions	30	0	0	0	30
Data Processing Fee - Register	0	0	0	0	2,850
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,200
Total Charges for Current Services	\$ 30	\$ 0	\$ 0	\$ 0	\$ 858,132
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 92	33,313
Lease/Rentals	0	0	0	0	4,324
Sale of Recycled Materials	0	0	0	0	6,301
Miscellaneous Refunds	0	8,082	0	7,587	23,325
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	8,799
Sale of Property	0	0	0	0	142,000
Contributions and Gifts	0	0	0	0	125,000
Total Other Local Revenues	\$ 0	\$ 8,082	\$ 0	\$ 7,679	\$ 343,062

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>tional</u>	<u>Public</u>	<u>General</u>	<u>General</u>	
	<u>Officers -</u>	<u>Works</u>	<u>Debt</u>	<u>Capital</u>	
	<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Total</u>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,221
Circuit Court Clerk	0	0	0	0	30,827
General Sessions Court Clerk	0	0	0	0	54,857
Clerk and Master	0	0	0	0	31,568
Register	0	0	0	0	38,225
Sheriff	0	0	0	0	6,630
Trustee	0	0	0	0	122,065
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 340,393
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,500
Aging Programs	0	0	0	0	1,628
Other General Government Grants	0	0	0	0	4,053
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	4,800
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	145,243
<u>Public Works Grants</u>					
State Aid Program	0	334,165	0	0	334,165
Litter Program	0	0	0	0	31,583
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	4,368
Beer Tax	0	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	0	7,441

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
			<u>Fund</u>	<u>Projects Fund</u>	
	Constitu -	Highway /	General	General	
	tional	Public	Debt	Capital	
	Officers -	Works	Service	Projects	Total
	Fees				
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,024
State Revenue Sharing - T.V.A.	0	0	21,922	0	175,374
State Revenue Sharing - Telecommunications	0	0	0	0	15,287
Contracted Prisoner Boarding	0	0	0	0	206,349
Gasoline and Motor Fuel Tax	0	1,868,965	0	0	1,868,965
Petroleum Special Tax	0	4,003	0	0	4,003
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	95,364
Other State Revenues	0	0	0	0	177,652
Total State of Tennessee	\$ 0	\$ 2,207,133	\$ 21,922	\$ 0	\$ 3,152,138
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 191,797
Law Enforcement Grants	0	0	0	0	3,412
Other Federal through State	0	0	0	0	3,363
<u>Direct Federal Revenue</u>					
COVID-19 Grant #6	0	0	0	0	8,061
COVID-19 Grant #7	0	0	0	0	13,192
Other Direct Federal Revenue	0	0	0	0	9,000
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 228,825
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,304

(Continued)

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu -	Highway /	General	General	
	tional	Public	Debt	Capital	
	Officers -	Works	Service	Projects	Total
	Fees				
<hr/>					
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other Governments (Cont.)</u>					
Contributions	\$ 0	\$ 0	\$ 119,620	\$ 0	\$ 121,620
Contracted Services	0	0	0	0	29,533
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 119,620	\$ 0	\$ 234,457
<hr/>					
Total	\$ 30	\$ 2,215,215	\$ 414,850	\$ 7,679	\$ 8,198,982
<hr/>					

Exhibit J-6

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 685,285	\$ 0	\$ 0	\$ 685,285
Trustee's Collections - Prior Year	38,534	0	0	38,534
Circuit Clerk/Clerk and Master Collections - Prior Years	21,702	0	0	21,702
Interest and Penalty	11,668	0	0	11,668
Payments in-Lieu-of Taxes - T.V.A.	5,855	0	0	5,855
Payments in-Lieu-of Taxes - Local Utilities	50,129	0	0	50,129
<u>County Local Option Taxes</u>				
Local Option Sales Tax	508,041	0	0	508,041
Hotel/Motel Tax	79,860	0	0	79,860
Total Local Taxes	<u>\$ 1,401,074</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,401,074</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 332	\$ 0	\$ 0	\$ 332
Total Licenses and Permits	<u>\$ 332</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 332</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 3,600	\$ 0	\$ 0	\$ 3,600
Lunch Payments - Children	0	0	799	799
Lunch Payments - Adults	0	0	8,276	8,276
A la Carte Sales	0	0	41,465	41,465
Receipts from Individual Schools	13,190	0	0	13,190
Total Charges for Current Services	<u>\$ 16,790</u>	<u>\$ 0</u>	<u>\$ 50,540</u>	<u>\$ 67,330</u>

(Continued)

Exhibit J-6

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 782	\$ 0	\$ 498	\$ 1,280
Sale of Materials and Supplies	754	0	0	754
Miscellaneous Refunds	5,898	0	0	5,898
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	30	0	0	30
Contributions and Gifts	4,225	0	0	4,225
Total Other Local Revenues	\$ 11,689	\$ 0	\$ 498	\$ 12,187
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 40,602	\$ 0	\$ 0	\$ 40,602
<u>State Education Funds</u>				
Basic Education Program	5,060,000	0	0	5,060,000
Early Childhood Education	99,499	0	0	99,499
School Food Service	0	0	4,657	4,657
Other State Education Funds	191,518	0	0	191,518
Career Ladder Program	15,509	0	0	15,509
Vocational Equipment	36,000	0	0	36,000
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	189,988	0	0	189,988
Other State Grants	159,797	0	2,287	162,084
Safe Schools	19,890	0	0	19,890
Other State Revenues	1,116	0	0	1,116
Total State of Tennessee	\$ 5,813,919	\$ 0	\$ 6,944	\$ 5,820,863

(Continued)

Exhibit J-6

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 319,261	\$ 319,261
USDA - Commodities	0	0	21,359	21,359
Breakfast	0	0	168,213	168,213
USDA - Other	0	0	7,304	7,304
Vocational Education - Basic Grants to States	0	51,938	0	51,938
Title I Grants to Local Education Agencies	0	206,248	0	206,248
Special Education - Grants to States	1,875	170,051	0	171,926
Special Education Preschool Grants	0	6,582	0	6,582
Rural Education	0	16,207	0	16,207
Eisenhower Professional Development State Grants	0	505	0	505
COVID-19 Grant #1	1,505	33,201	0	34,706
Other Federal through State	22,692	4,678	0	27,370
Total Federal Government	\$ 26,072	\$ 489,410	\$ 516,137	\$ 1,031,619
Total	\$ 7,269,876	\$ 489,410	\$ 574,119	\$ 8,333,405

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	15,350	
Social Security		952	
Unemployment Compensation		33	
Employer Medicare		223	
Audit Services		2,108	
Contracts with Government Agencies		475,761	
Dues and Memberships		1,050	
Refunds		1,198	
Total County Commission			\$ 496,675

Board of Equalization

Board and Committee Members Fees	\$	1,250	
Total Board of Equalization			1,250

County Mayor/Executive

County Official/Administrative Officer	\$	79,083	
Accountants/Bookkeepers		35,091	
Purchasing Personnel		28,080	
Social Security		8,820	
Pensions		4,476	
Unemployment Compensation		187	
Employer Medicare		2,063	
Data Processing Services		14,772	
Dues and Memberships		865	
Legal Notices, Recording, and Court Costs		2,250	
Printing, Stationery, and Forms		1,656	
Travel		910	
Office Supplies		1,734	
Premiums on Corporate Surety Bonds		75	
Other Charges		1,275	
Total County Mayor/Executive			181,337

County Attorney

County Official/Administrative Officer	\$	18,000	
Total County Attorney			18,000

Election Commission

County Official/Administrative Officer	\$	61,624	
Election Commission		4,500	
Election Workers		6,254	
Social Security		3,821	
Pensions		4,377	
Unemployment Compensation		98	
Employer Medicare		894	
Legal Notices, Recording, and Court Costs		7,360	
Other Contracted Services		18,700	
Office Supplies		1,747	
Other Charges		1,268	
Total Election Commission			110,643

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Register of Deeds

County Official/Administrative Officer	\$	68,471	
Social Security		3,691	
Pensions		4,864	
Employer Medicare		863	
Data Processing Services		2,286	
Dues and Memberships		570	
Printing, Stationery, and Forms		159	
Office Supplies		892	
Premiums on Corporate Surety Bonds		15	
Total Register of Deeds			\$ 81,811

Planning

Board and Committee Members Fees	\$	750	
Total Planning			750

County Buildings

Laborers	\$	6,252	
Custodial Personnel		21,410	
Part-time Personnel		6,008	
Social Security		2,085	
Pensions		823	
Unemployment Compensation		397	
Employer Medicare		488	
Communication		51,941	
Maintenance and Repair Services - Buildings		67,848	
Maintenance and Repair Services - Vehicles		3,551	
Custodial Supplies		6,082	
Electricity		101,454	
Gasoline		674	
Natural Gas		15,375	
Water and Sewer		40,455	
Total County Buildings			324,843

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	68,471	
Part-time Personnel		24,300	
Social Security		5,571	
Pensions		4,864	
Unemployment Compensation		227	
Employer Medicare		1,303	
Audit Services		2,664	
Data Processing Services		10,220	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		74	
Travel		189	
Office Supplies		757	
Total Property Assessor's Office			119,690

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Trustee's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		26,325	
Social Security		5,696	
Pensions		6,729	
Unemployment Compensation		98	
Employer Medicare		1,332	
Data Processing Services		10,490	
Dues and Memberships		610	
Office Supplies		1,015	
Data Processing Equipment		3,606	
Total County Trustee's Office			\$ 124,372

County Clerk's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		26,325	
Social Security		5,857	
Pensions		6,729	
Unemployment Compensation		98	
Employer Medicare		1,370	
Data Processing Services		5,955	
Dues and Memberships		565	
Office Supplies		1,442	
Other Charges		264	
Total County Clerk's Office			117,076

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	68,471	
Secretary(ies)		26,325	
Jury and Witness Expense		3,786	
Social Security		5,877	
Pensions		6,729	
Unemployment Compensation		98	
Employer Medicare		1,375	
Data Processing Services		6,812	
Dues and Memberships		550	
Printing, Stationery, and Forms		363	
Office Supplies		1,052	
Premiums on Corporate Surety Bonds		75	
Total Circuit Court			121,513

General Sessions Court

Judge(s)	\$	28,707	
Secretary(ies)		7,299	
Other Fringe Benefits		4,016	
Total General Sessions Court			40,022

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court

County Official/Administrative Officer	\$	68,471	
Social Security		4,245	
Pensions		4,864	
Employer Medicare		993	
Data Processing Services		6,448	
Dues and Memberships		550	
Office Supplies		752	
Premiums on Corporate Surety Bonds		75	
Total Chancery Court			\$ 86,398

Juvenile Court

Contracts with Government Agencies	\$	10,000	
Total Juvenile Court			10,000

Judicial Commissioners

County Official/Administrative Officer	\$	7,200	
Premiums on Corporate Surety Bonds		75	
Total Judicial Commissioners			7,275

Public SafetySheriff's Department

County Official/Administrative Officer	\$	75,318	
Deputy(ies)		231,125	
Accountants/Bookkeepers		38,166	
Salary Supplements		4,800	
School Resource Officer		26,962	
Overtime Pay		11,900	
In-service Training		3,530	
Social Security		23,860	
Pensions		26,422	
Unemployment Compensation		1,351	
Employer Medicare		5,580	
Dues and Memberships		1,000	
Maintenance and Repair Services - Vehicles		11,631	
Printing, Stationery, and Forms		825	
Gasoline		28,788	
Office Supplies		982	
Uniforms		2,735	
Other Charges		1,511	
Communication Equipment		3,289	
Total Sheriff's Department			499,775

Jail

Laborers	\$	67,315	
Guards		455,018	
Overtime Pay		21,454	
Social Security		33,080	

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Pensions	\$	36,482	
Unemployment Compensation		3,047	
Employer Medicare		7,736	
Data Processing Services		3,560	
Medical and Dental Services		180,829	
Custodial Supplies		17,633	
Food Supplies		114,750	
Other Charges		15,706	
Total Jail			\$ 956,610

Fire Prevention and Control

Contributions	\$	1,000	
Total Fire Prevention and Control			1,000

Disaster Relief

Part-time Personnel	\$	12,799	
Social Security		837	
Unemployment Compensation		107	
Employer Medicare		196	
Food Supplies		406	
Other Supplies and Materials		14,952	
Other Charges		29,528	
Total Disaster Relief			58,825

Other Emergency Management

Contributions	\$	2,000	
Total Other Emergency Management			2,000

County Coroner/Medical Examiner

Other Charges	\$	20,567	
Total County Coroner/Medical Examiner			20,567

Other Public Safety

Contributions	\$	100,000	
Total Other Public Safety			100,000

Public Health and WelfareLocal Health Center

Office Supplies	\$	66	
Other Charges		14,418	
Total Local Health Center			14,484

Appropriation to State

Contracts with Government Agencies	\$	24,510	
Total Appropriation to State			24,510

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Part-time Personnel	\$	100	
Social Security		6	
Unemployment Compensation		2	
Employer Medicare		1	
Total Senior Citizens Assistance			\$ 109

Libraries

County Official/Administrative Officer	\$	19,492	
Part-time Personnel		670	
Social Security		1,250	
Pensions		1,388	
Unemployment Compensation		108	
Employer Medicare		292	
Data Processing Services		995	
Library Books/Media		954	
Office Supplies		194	
Total Libraries			25,343

Other Social, Cultural, and Recreational

Contributions	\$	9,018	
Total Other Social, Cultural, and Recreational			9,018

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	22,431	
Secretary(ies)		8,945	
Social Security		1,879	
Pensions		6,622	
Employer Medicare		457	
Travel		3,000	
Total Agricultural Extension Service			43,334

Soil Conservation

Supervisor/Director	\$	46,488	
Social Security		2,882	
Pensions		3,302	
Unemployment Compensation		98	
Employer Medicare		674	
Total Soil Conservation			53,444

Other OperationsVeterans' Services

Part-time Personnel	\$	7,367	
Social Security		457	
Unemployment Compensation		86	
Employer Medicare		107	
Travel		385	
Total Veterans' Services			8,402

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Other Charges

Liability Insurance	\$	92,393	
Trustee's Commission		45,333	
Workers' Compensation Insurance		81,407	
Total Other Charges			\$ 219,133

Employee Benefits

Medical Insurance	\$	28,307	
Other Fringe Benefits		5,168	
Total Employee Benefits			33,475

Miscellaneous

Postal Charges	\$	9,163	
Duplicating Supplies		15,585	
Total Miscellaneous			24,748

HighwaysLitter and Trash Collection

Laborers	\$	33,430	
Social Security		2,312	
Pensions		1,895	
Unemployment Compensation		330	
Employer Medicare		541	
Accounting Services		3,769	
Other Supplies and Materials		104	
Other Charges		7,692	
Total Litter and Trash Collection			50,073

Total General Fund \$ 3,986,505

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Laborers	\$	59,898	
Social Security		3,517	
Pensions		3,431	
Unemployment Compensation		305	
Employer Medicare		823	
Maintenance and Repair Services - Vehicles		1,491	
Gasoline		6,257	
Total County Buildings			\$ 75,722

Other OperationsOther Charges

Trustee's Commission	\$	806	
Total Other Charges			806

Total Courthouse and Jail Maintenance Fund 76,528

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Truck Drivers	\$	60,490	
Social Security		3,750	
Pensions		4,252	
Unemployment Compensation		231	
Employer Medicare		877	
Maintenance and Repair Services - Equipment		12,304	
Diesel Fuel		31,151	
Total Waste Pickup			\$ 113,055

Convenience Centers

Laborers	\$	112,453	
Social Security		6,960	
Pensions		3,037	
Unemployment Compensation		899	
Employer Medicare		1,628	
Remittance of Revenue Collected		22,148	
Other Contracted Services		134,762	
Other Supplies and Materials		576	
Trustee's Commission		3,918	
Other Charges		7,590	
Principal on Capital Leases		34,404	
Interest on Capital Leases		9,494	
Motor Vehicles		168,900	
Total Convenience Centers			506,769

Landfill Operation and Maintenance

Other Charges	\$	9,171	
Total Landfill Operation and Maintenance			9,171

Total Solid Waste/Sanitation Fund \$ 628,995

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Supervisor/Director	\$	40,004	
Medical Personnel		320,643	
Overtime Pay		147,259	
In-service Training		825	
Social Security		30,764	
Pensions		28,612	
Unemployment Compensation		1,787	
Employer Medicare		7,195	
Data Processing Services		706	
Dues and Memberships		750	
Licenses		1,250	
Maintenance and Repair Services - Buildings		154	
Maintenance and Repair Services - Vehicles		6,995	

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Other Contracted Services	\$	45,523	
Diesel Fuel		14,754	
Drugs and Medical Supplies		29,489	
Office Supplies		806	
Uniforms		247	
Trustee's Commission		10,451	
Other Charges		<u>1,058</u>	
Total Ambulance/Emergency Medical Services			<u>\$ 689,272</u>

Total Ambulance Service Fund \$ 689,272

Local Purpose Tax FundPublic SafetyFire Prevention and Control

Contributions	\$	105,000	
Building and Contents Insurance		<u>44,876</u>	
Total Fire Prevention and Control			<u>\$ 149,876</u>

Other OperationsOther Charges

Trustee's Commission	\$	<u>3,391</u>	
Total Other Charges			<u>3,391</u>

Total Local Purpose Tax Fund 153,267

Drug Control FundPublic SafetyDrug Enforcement

Judgments	\$	254	
Motor Vehicles		<u>40,147</u>	
Total Drug Enforcement			<u>\$ 40,401</u>

Other OperationsOther Charges

Trustee's Commission	\$	<u>197</u>	
Total Other Charges			<u>197</u>

Total Drug Control Fund 40,598

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>30</u>	
Total County Clerk's Office			<u>\$ 30</u>

Total Constitutional Officers - Fees Fund 30

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	75,318	
Assistant(s)		37,000	
Accountants/Bookkeepers		31,000	
Other Salaries and Wages		1,083	
Social Security		8,738	
Employer Medicare		2,044	
Communication		1,955	
Dues and Memberships		2,505	
Postal Charges		229	
Printing, Stationery, and Forms		423	
Travel		1,542	
Drugs and Medical Supplies		250	
Electricity		1,748	
Office Supplies		704	
Other Charges		100	
Total Administration			\$ 164,639

Highway and Bridge Maintenance

Equipment Operators	\$	82,390	
Truck Drivers		30,128	
Laborers		154,431	
Overtime Pay		3,890	
Other Salaries and Wages		15,562	
Social Security		17,378	
Employer Medicare		4,064	
Engineering Services		540	
Other Contracted Services		943,544	
Asphalt - Cold Mix		5,980	
Crushed Stone		37,345	
Ice		110	
Pipe - Metal		13,717	
Road Signs		3,271	
Salt		3,479	
Small Tools		15	
Structural Steel		246	
Wood Products		25	
Other Supplies and Materials		423	
Total Highway and Bridge Maintenance			1,316,538

Operation and Maintenance of Equipment

Mechanic(s)	\$	53,596	
Laborers		19,783	
Nightwatchmen		56,463	
Overtime Pay		1,001	
Other Salaries and Wages		3,282	
Social Security		8,177	
Employer Medicare		1,912	

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Maintenance and Repair Services - Equipment	\$	2,703	
Other Contracted Services		2,338	
Diesel Fuel		24,681	
Equipment and Machinery Parts		24,410	
Garage Supplies		1,043	
Gasoline		13,485	
Lubricants		4,210	
Tires and Tubes		7,084	
Water and Sewer		494	
Other Supplies and Materials		508	
Other Charges		290	
Total Operation and Maintenance of Equipment			\$ 225,460

Quarry Operations

Communication	\$	3,243	
Operating Lease Payments		4,800	
Electricity		3,178	
Total Quarry Operations			11,221

Other Charges

Liability Insurance	\$	23,849	
Trustee's Commission		18,425	
Workers' Compensation Insurance		53,081	
Total Other Charges			95,355

Employee Benefits

Pensions	\$	30,508	
Employee and Dependent Insurance		17,980	
Medical Insurance		12,261	
Unemployment Compensation		4,139	
Total Employee Benefits			64,888

Capital Outlay

Bridge Construction	\$	11,875	
Highway Equipment		85,861	
Motor Vehicles		87,510	
State Aid Projects		334,165	
Total Capital Outlay			519,411

Total Highway/Public Works Fund \$ 2,397,512

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	225,000	
Principal on Notes		6,890,963	
Total General Government			\$ 7,115,963

(Continued)

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 77,000	
Total Education		\$ 77,000

Interest on Debt

General Government

Interest on Bonds	\$ 81,621	
Interest on Notes	84,809	
Total General Government		166,430

Education

Interest on Bonds	\$ 42,620	
Total Education		42,620

Other Debt Service

General Government

Contributions	\$ 125,000	
Trustee's Commission	4,343	
Other Debt Issuance Charges	67,305	
Total General Government		196,648

Total General Debt Service Fund		\$ 7,598,661
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Total Governmental Funds - Primary Government		\$ 15,571,368
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Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,468,802	
Career Ladder Program		7,000	
Homebound Teachers		1,930	
Educational Assistants		205,595	
Certified Substitute Teachers		14,947	
Non-certified Substitute Teachers		30,768	
Social Security		159,839	
Pensions		255,131	
Medical Insurance		175,509	
Unemployment Compensation		356	
Employer Medicare		37,685	
Instructional Supplies and Materials		12,600	
Textbooks - Bound		73,926	
Other Charges		198	
Total Regular Instruction Program			\$ 3,444,286

Special Education Program

Teachers	\$	269,989	
Educational Assistants		4,294	
Speech Pathologist		75,431	
Non-certified Substitute Teachers		1,040	
Social Security		18,788	
Pensions		24,975	
Medical Insurance		42,733	
Employer Medicare		4,394	
Other Supplies and Materials		54	
Special Education Equipment		546	
Total Special Education Program			442,244

Career and Technical Education Program

Teachers	\$	176,235	
Career Ladder Program		1,000	
Social Security		10,328	
Pensions		18,116	
Medical Insurance		15,006	
Unemployment Compensation		21	
Employer Medicare		2,415	
Tuition		720	
Other Charges		1,508	
Vocational Instruction Equipment		37,498	
Total Career and Technical Education Program			262,847

Support Services

Attendance

Supervisor/Director	\$	65,329	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	3,827	
Pensions		7,051	
Medical Insurance		4,276	
Unemployment Compensation		6	
Employer Medicare		895	
Travel		555	
In Service/Staff Development		175	
Total Attendance			\$ 83,114

Health Services

Supervisor/Director	\$	56,191	
Medical Personnel		49,742	
Other Salaries and Wages		15,375	
Social Security		6,890	
Pensions		8,121	
Medical Insurance		4,289	
Unemployment Compensation		25	
Employer Medicare		1,695	
Travel		956	
Drugs and Medical Supplies		2,191	
Other Supplies and Materials		13,602	
In Service/Staff Development		2,622	
Other Charges		609	
Total Health Services			162,308

Other Student Support

Guidance Personnel	\$	104,553	
Other Salaries and Wages		45,764	
Social Security		8,558	
Pensions		13,505	
Medical Insurance		18,034	
Unemployment Compensation		24	
Employer Medicare		2,002	
Contracts with Government Agencies		31,933	
Other Supplies and Materials		1,530	
Total Other Student Support			225,903

Regular Instruction Program

Supervisor/Director	\$	37,858	
Career Ladder Program		2,000	
Librarians		107,580	
Other Salaries and Wages		77,654	
Social Security		6,143	
Pensions		11,973	
Medical Insurance		17,068	
Unemployment Compensation		47	

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	3,067	
Travel		372	
Library Books/Media		2,097	
Other Supplies and Materials		509	
In Service/Staff Development		185	
Other Charges		20,384	
Total Regular Instruction Program			\$ 286,937

Special Education Program

Supervisor/Director	\$	65,989	
Career Ladder Program		1,000	
Psychological Personnel		59,440	
Other Salaries and Wages		5,299	
Social Security		7,765	
Pensions		13,810	
Medical Insurance		7,839	
Unemployment Compensation		16	
Employer Medicare		1,816	
Communication		152	
Maintenance and Repair Services - Equipment		258	
Travel		1,120	
Total Special Education Program			164,504

Career and Technical Education Program

Travel	\$	84	
Total Career and Technical Education Program			84

Technology

Instructional Computer Personnel	\$	89,851	
Social Security		5,083	
Pensions		7,359	
Medical Insurance		7,205	
Unemployment Compensation		10	
Employer Medicare		1,235	
Internet Connectivity		9,660	
Travel		118	
Software		46,446	
Regular Instruction Equipment		60,693	
Other Equipment		1,645	
Total Technology			229,305

Other Programs

On-behalf Payments to OPEB	\$	40,602	
Total Other Programs			40,602

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	14,300	
Social Security		887	
Medical Insurance		45,924	
Employer Medicare		207	
Audit Services		4,600	
Dues and Memberships		6,697	
Other Supplies and Materials		329	
Trustee's Commission		33,898	
Workers' Compensation Insurance		60,615	
Total Board of Education			\$ 167,457

Director of Schools

County Official/Administrative Officer	\$	97,228	
Career Ladder Program		1,000	
Social Security		5,669	
Pensions		10,427	
Medical Insurance		14,197	
Unemployment Compensation		7	
Employer Medicare		1,326	
Communication		6,868	
Dues and Memberships		1,393	
Postal Charges		644	
Travel		736	
Office Supplies		28	
Other Supplies and Materials		1,502	
Other Charges		17	
Total Director of Schools			141,042

Office of the Principal

Principals	\$	154,536	
Assistant Principals		128,509	
Secretary(ies)		50,939	
Social Security		19,598	
Pensions		33,770	
Medical Insurance		22,062	
Unemployment Compensation		38	
Employer Medicare		4,583	
Communication		134	
Other Charges		396	
Total Office of the Principal			414,565

Fiscal Services

Accountants/Bookkeepers	\$	25,333	
Secretary(ies)		38,000	
Other Salaries and Wages		54,653	
Social Security		7,201	

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Pensions	\$	8,443	
Medical Insurance		5,832	
Unemployment Compensation		19	
Employer Medicare		1,684	
Data Processing Services		11,970	
Other Contracted Services		1,380	
Data Processing Supplies		945	
Office Supplies		1,928	
Other Supplies and Materials		4,162	
Other Charges		570	
Total Fiscal Services			\$ 162,120

Operation of Plant

Custodial Personnel	\$	171,379	
Social Security		10,652	
Pensions		11,413	
Medical Insurance		29,876	
Unemployment Compensation		85	
Employer Medicare		2,491	
Other Contracted Services		11,100	
Custodial Supplies		22,969	
Electricity		163,392	
Natural Gas		31,288	
Water and Sewer		33,106	
Other Supplies and Materials		337	
Building and Contents Insurance		85,832	
Plant Operation Equipment		2,198	
Total Operation of Plant			576,118

Maintenance of Plant

Supervisor/Director	\$	38,638	
Other Salaries and Wages		1,360	
Social Security		2,421	
Pensions		2,934	
Medical Insurance		5,834	
Unemployment Compensation		8	
Employer Medicare		566	
Communication		882	
Maintenance and Repair Services - Buildings		18,957	
Maintenance and Repair Services - Equipment		35,230	
Other Contracted Services		318	
Other Supplies and Materials		600	
Total Maintenance of Plant			107,748

Transportation

Mechanic(s)	\$	38,638	
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(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Bus Drivers	\$	113,911	
Other Salaries and Wages		15,680	
Social Security		10,652	
Pensions		12,748	
Medical Insurance		18,118	
Unemployment Compensation		58	
Employer Medicare		2,503	
Communication		784	
Gasoline		47,343	
Lubricants		2,034	
Tires and Tubes		2,738	
Vehicle Parts		13,577	
Other Supplies and Materials		2,399	
Other Charges		3,385	
Transportation Equipment		<u>151,705</u>	
Total Transportation	\$		436,273

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	44,478	
Teachers		45,390	
Career Ladder Program		1,000	
Bus Drivers		2,148	
Educational Assistants		9,436	
Cafeteria Personnel		1,549	
Other Salaries and Wages		33,546	
Social Security		8,036	
Pensions		13,798	
Medical Insurance		7,203	
Unemployment Compensation		10	
Employer Medicare		1,880	
Food Supplies		4,771	
Other Supplies and Materials		19,407	
In Service/Staff Development		5,863	
Other Charges		<u>27,143</u>	
Total Community Services			225,658

Early Childhood Education

Supervisor/Director	\$	13,044	
Teachers		108,760	
Educational Assistants		32,655	
Social Security		9,313	
Pensions		16,405	
Medical Insurance		36,406	
Unemployment Compensation		17	
Employer Medicare		<u>2,178</u>	

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Communication	\$	618	
Travel		56	
Instructional Supplies and Materials		599	
Other Supplies and Materials		4,935	
In Service/Staff Development		1,691	
Other Charges		239	
Total Early Childhood Education			\$ 226,916

Capital Outlay

Regular Capital Outlay

Architects	\$	4,766	
Building Improvements		24,052	
Furniture and Fixtures		14,122	
Site Development		437,495	
Other Equipment		20,973	
Total Regular Capital Outlay			501,408

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	77,000	
Total Education			77,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	42,620	
Total Education			42,620

Total General Purpose School Fund \$ 8,421,059

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	131,606	
Educational Assistants		30,700	
Social Security		10,063	
Pensions		16,143	
Medical Insurance		3,346	
Unemployment Compensation		166	
Employer Medicare		2,353	
Instructional Supplies and Materials		4,213	
Regular Instruction Equipment		24,629	
Total Regular Instruction Program			\$ 223,219

Special Education Program

Educational Assistants	\$	125,169	
Social Security		7,652	

(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Pensions	\$	8,640	
Unemployment Compensation		120	
Employer Medicare		1,790	
Instructional Supplies and Materials		1,236	
Other Supplies and Materials		1,922	
Total Special Education Program			\$ 146,529

Career and Technical Education Program

Instructional Supplies and Materials	\$	3,892	
Vocational Instruction Equipment		44,182	
Total Career and Technical Education Program			48,074

COVID-19 Expenditures

Educational Assistants	\$	10,564	
Total COVID-19 Expenditures			10,564

Support Services

Other Student Support

Travel	\$	1,800	
In Service/Staff Development		1,217	
Other Charges		3,446	
Total Other Student Support			6,463

Regular Instruction Program

In Service/Staff Development	\$	765	
Total Regular Instruction Program			765

Special Education Program

Postal Charges	\$	200	
Travel		84	
Other Contracted Services		11,149	
Other Supplies and Materials		2,503	
In Service/Staff Development		5,217	
Other Charges		11,140	
Total Special Education Program			30,293

Career and Technical Education Program

Supervisor/Director	\$	847	
Total Career and Technical Education Program			847

Transportation

Diesel Fuel	\$	207	
Total Transportation			207

COVID-19 Expenditures

Bus Drivers	\$	6,425	
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(Continued)

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

COVID-19 Expenditures (Cont.)

Secretary(ies)	\$	1,664	
Custodial Personnel		4,445	
Custodial Supplies		247	
Total COVID-19 Expenditures			\$ 12,781

Operation of Non-Instructional Services

COVID-19 Expenditures

Educational Assistants	\$	1,169	
Cafeteria Personnel		8,687	
Total COVID-19 Expenditures			9,856

Total School Federal Projects Fund \$ 489,598

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	38,078	
Cafeteria Personnel		159,975	
Social Security		12,656	
Pensions		13,709	
Medical Insurance		14,094	
Unemployment Compensation		84	
Employer Medicare		2,965	
Communication		268	
Maintenance and Repair Services - Equipment		12,460	
Other Contracted Services		4,212	
Food Preparation Supplies		11,860	
Food Supplies		253,368	
Office Supplies		265	
Uniforms		647	
USDA - Commodities		21,359	
Other Supplies and Materials		144	
In Service/Staff Development		211	
Other Charges		160	
Food Service Equipment		6,506	
Total Food Service			\$ 553,021

Total Central Cafeteria Fund 553,021

Total Governmental Funds - Van Buren County School Department \$ 9,463,678

Exhibit J-9

Van Buren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 122,161
Total Cash Receipts	<u>\$ 122,161</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 120,939
Trustee's Commission	1,222
Total Cash Disbursements	<u>\$ 122,161</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

Van Buren County Mayor and
Board of County Commissioners
Van Buren County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Van Buren County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Van Buren County's internal control. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2020-001(A,B,D,E), 2020-004(A,B,C), and 2020-006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2020-001(C,F), 2020-002, 2020-003, 2020-004(D), 2020-005, 2020-007, 2020-008, and 2020-009.

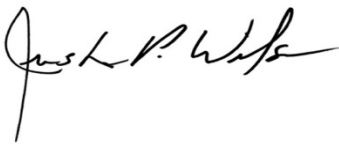
Van Buren County's Responses to the Findings

Van Buren County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Van Buren County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 27, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Van Buren County Mayor and
Board of County Commissioners
Van Buren County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Van Buren County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Van Buren County's major federal programs for the year ended June 30, 2020. Van Buren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Van Buren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Van Buren County's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Van Buren County's compliance.

Opinion on Each Major Federal Program

In our opinion, Van Buren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Van Buren County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Van Buren County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

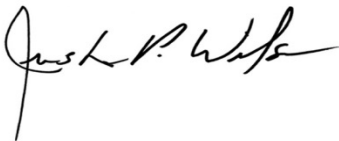
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements. We issued our report thereon dated October 27, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 27, 2020

JPW/yu

Van Buren County, Tennessee, and the Van Buren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	\$ 9,000
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	97,831 (6)
COVID 19 - School Breakfast Program	10.553	N/A	70,382 (6)
National School Lunch Program	10.555	N/A	212,363 (6)
COVID 19 - National School Lunch Program	10.555	N/A	111,972 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	23,589 (6)
Total U.S. Department of Agriculture			<u>\$ 525,137</u>
U.S. Department of Housing and Urban Development (HUD):			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and			
Non-Entitlement Grants in Hawaii	14.228	N/A	<u>\$ 191,797</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
Unemployment Insurance - COVID	17.225	N/A	<u>\$ 1,505</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	154AL-19-238	<u>\$ 3,412</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 203,718
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	172,114
Special Education - Preschool Grants	84.173	N/A	6,582
Career and Technical Education - Basic Grants to States	84.048	N/A	51,938
Rural Education	84.358	(4)	16,208
Supporting Effective Instruction State Grant	84.367	N/A	3,036
Student Support and Academic Enrichment	84.424	N/A	24,163
COVID 19 - Education Stabilization Fund	84.425D	N/A	33,201
Total U.S. Department of Education			<u>\$ 510,960</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 Supplemental Election Security Grants	90.404	(4)	\$ 1,750 (6)
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(4)	535 (6)
Total U.S. Election Assistance Commission			<u>\$ 2,285</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Provider Relief Fund - COVID	93.498	N/A	\$ 13,192
Passed-through Upper Cumberland Development District:			
Aging Cluster: (5)			
Special Programs for the Aging - Title III, Part B - Grants for			
Supportive Services and Senior Centers	93.044	(4)	1,613
Passed-through State Department of Education:			
CCDF Cluster: (5)			
Child Care and Development Block Grant	93.575	G1801TNCCDF	3,207
Total U.S. Department of Health and Human Services			<u>\$ 18,012</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	(4)	<u>\$ 6,046</u>
Total Expenditures of Federal Awards			<u>\$ 1,259,154</u>

(Continued)

Van Buren County, Tennessee, and the Van Buren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Coordinated School Health - State Department of Education	N/A	(4)	\$ 90,000
Career and Technical Education - State Higher Education Commission	N/A	(4)	36,000
Building Strong Brains (ACE)- State Department of Children's Services	N/A	(4)	56,840
Family Resource Centers - State Department of Education	N/A	(4)	31,711
Lottery Education Afterschool Programs - State Department of Education	N/A	(4)	71,997
Safe Schools - State Department of Education	N/A	(4)	19,890
School Resource Officer - State Department of Education	N/A	(4)	30,960
Breakfast After the Bell - State Department of Education	N/A	(4)	2,287
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	99,499
ConnectTenn (Internet Connectivity) - State Department of Education	N/A	(4)	1,116
Project Diabetes Initiative Services - State Department of Health	N/A	Z19198304	134,623
Access to Health through Healthy Built Environments - State Department of Health	N/A	GG1959020	6,295
Special Needs - State Department of Health	N/A	GG1961768	2,711
Local Health Services Grant - State Department of Health	N/A	GG2063593	1,614
Healthier Tennessee - Governor's Foundation for Health and Wellness	N/A	(4)	3,000
COVID 19 - PPE - State Department of Military	N/A	(4)	2,015
Litter Program - State Department of Transportation	N/A	Z20LIT088	31,583
Training Opportunities for the Public (TOP) - Tennessee Secretary of State	N/A	(4)	4,030
Site Development Grant Program - State Department of Economic and Community Development	N/A	(4)	15,200
Election Grant - Tennessee Secretary of State	N/A	(4)	14
Agricultural Learning Center - State Department of Agriculture	N/A	(4)	73,120
Tennessee Agricultural Enhancement Program (TAEP) - State Department of Agriculture	N/A	(4)	4,053
Aging Program - Upper Cumberland Development District	N/A	(4)	1,628
Supplemental Juvenile Justice Court Funds - State Department of Children's Services	N/A	(4)	13,500
Total State Grants			<u>\$ 733,686</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Van Buren County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts (\$0) were passed-through to subrecipients.
(4) Information was not available.
(5) Child Nutrition Cluster total \$516,137; Special Education Cluster total \$178,696; Aging Cluster total \$1,613;
CCDF Cluster total \$3,207.
(6) Total for CFDA No. 10.553 is \$168,213. Total for CFDA No. 10.555 is \$347,924. Total for CFDA No. 90.404 is \$2,285.

(7) AMOUNTS TRANSFERRED

Program Title	Amounts Transferred
From Supporting Effective Instruction (CFDA 84.367) to Title I (CFDA 84.010	<u>\$ 2,531</u>

Van Buren County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Van Buren County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF COUNTY MAYOR</u>					
2019	174	2019-001	The General Fund had a deficit in unassigned fund balance	N/A	Corrected
			The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance		Not Corrected - See Explanation on Corrective Action Plan
2019	175	2019-002	The General, Solid Waste/Sanitation, and Ambulance Service funds had cash overdrafts during the year	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	176	2019-003	The office failed to make scheduled principal and interest payments on capital outlay notes	N/A	Corrected
2019	177	2019-004	The General Debt Service and General Capital Projects funds required material audit adjustments for proper financial statement presentation	N/A	Corrected
2019	177	2019-005	Interfund loans were not issued and repaid properly	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	178	2019-006	The office had deficiencies in the lease-purchase of a solid waste truck	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	179	2019-007	The office had purchasing deficiencies	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	180	2019-008	There are no written agreements for solid waste collection services	N/A	Not Corrected - See Explanation on Corrective Action Plan
			The commercial solid waste fees collected did not agree with the amount approved by the county commission		Corrected
2019	181	2019-009	The Burritt Memorial Library had deficiencies	N/A	Corrected

(Continued)

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

VAN BUREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Van Buren County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program, National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2020-001

THE SOLID WASTE/SANITATION FUND HAD OPERATING DEFICIENCIES

(A., B., D., and E. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. and F. – Noncompliance Under *Government Auditing Standards*)

The following deficiencies were noted during our review of the county's solid waste operations:

- A. The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance of \$30,521 on June 30, 2020. The deficit resulted from the recognition of liabilities due to vendors of \$37,207 plus state grant funds totaling \$8,248 that were mistakenly posted to the Solid Waste/Sanitation Fund during the 2018 fiscal year but were due to the General Fund. This deficit resulted from a lack of management oversight, the failure of management to correct the audit finding noted in prior-year audit reports, and the failure to implement their corrective action plan.
- B. The Solid Waste/Sanitation Fund had cash overdrafts at various times during the year. The balance of cash on deposit with the county trustee in the fund would often be overdrawn during the month; however, the overdraft would be liquidated when the monthly receipts from the county trustee were posted to the general ledger. These cash overdrafts resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The schedule below reflects the months that had cash overdrafts and the highest amounts of overdrafts in each month in the Solid Waste/Sanitation Fund.

Month	Cash Overdraft Per Record
July 2019	\$ (4,274.54)
August 2019	(31,380.82)
September 2019	(34,231.13)
October 2019	(25,684.37)
November 2019	(22,318.53)
December 2019	(16,323.89)
January 2020	(3,671.86)
February 2020	(6,025.80)
March 2020	(16,590.60)
April 2020	(20,763.19)
May 2020	(20,017.02)
June 2020	(27,464.24)

Sound business practices dictate that expenditures be held within available funds. The cash overdrafts were liquidated prior to June 30, 2020, but the presence and the amount of these overdrafts reflects an ongoing cash flow problem. This deficit resulted from a lack of management oversight and the failure of management to correct the audit finding noted in the prior-year audit report.

- C. During the year, competitive bids were not solicited for solid waste disposal services totaling \$143,657. Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, require publicly advertised competitive bids to be solicited on all purchases exceeding \$2,500. The failure to solicit competitive bids could result in the county paying more than the most competitive price. This deficiency resulted from a lack of management oversight.
- D. The county did not have a written contract approved by the county commission that established rates and defined the terms of the agreement between the county and the solid waste disposal service. Without a written contract, the county cannot effectively anticipate and regulate costs related to solid waste disposal. As a result of not having a written contract approved by the county commission, the vendor was able to extend the payment terms with the county from a 30-day to a 60-day payment schedule beginning June 16, 2020. The payment extension also increased the disposal fee \$3 per ton from \$45.12 to \$48.12 per ton.
- E. Two local utility districts collected solid waste fees from their customers on behalf of the county using their monthly utility statements. According to the county mayor, there are no written agreements for the collection services, and the services were not approved by the county commission. One utility is charging the county \$.60 for each fee collected, and the other is charging the county \$1 for each fee collected. These fees are netted against the collections before the collections are remitted to the county. This deficiency resulted from

the failure of management to correct the audit finding noted in the prior-year audit report and the failure to implement their corrective action plan.

- F. On December 1, 2019, the office entered a 14-month lease-purchase agreement totaling \$168,900 for a solid waste truck. This agreement replaced a prior lease-purchase agreement dated November 16, 2018. The following deficiencies were noted in the purchase of the truck. These deficiencies resulted from a lack of management oversight and the failure to correct the audit finding noted in the prior-year audit report.
1. The lease-purchase agreement was not approved by the county commission. Section 7-51-904 *Tennessee Code Annotated (TCA)*, requires lease-purchase agreements be approved by the county commission.
 2. The office did not file a Report on Debt Obligation with the state Comptroller's Office for the lease-purchase agreement on a timely basis as required by Section 9-21-134, *TCA*. The debt was issued on December 1, 2019; however, the debt obligation form was not filed with the Comptroller's Office until June 11, 2020.
 3. Competitive bids were not solicited for the lease-purchase of the solid waste truck. Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, require publicly advertised competitive bids be solicited on all purchase exceeding \$2,500. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

Management should liquidate the deficit in unassigned fund balance and should closely monitor cash flow and prevent cash overdrafts that can lead to or add to a deficit. Competitive bids should be solicited for purchases exceeding \$2,500 as required by the county's private acts. The county should have formal written agreements for long-term services provided to the county, and these agreements should be approved by the county commission. Lease-purchases should be approved by the county commission as required by state statute. County officials should file a Report on Debt Obligation on a timely basis with the state Comptroller's Office for all debt obligations.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

- A. This has been corrected, solid waste is operating without any deficit.
- B. Solid waste has no overdrafts, and it has been corrected through a fund report weekly to local finance.
- C. We have never bid this since I have been mayor for the last six years. We will bid this as soon as possible.
- D. No response.

- E. We will have our attorney create a contract with the two utility companies. I have already spoken to our attorney about this.
- F. When we first entered into this agreement, we were able to bid it, which was two years ago, and the term was for four years. We will bid it this year in December.

AUDITOR'S COMMENT

We offer the following additional information related to the official's written response:

- F. As noted in the prior-year Annual Financial Report, the lease-purchase of the solid waste truck referenced in the response above was not bid, but was based on quotes received by the county for monthly truck rental (see Finding 2019-006). The lease-purchase from the prior year was terminated, and the truck was returned. During the year examined, the county purchased a new solid waste truck by entering into a new lease-purchase agreement. The failure to bid the purchase of this new truck is the subject of the current finding.
-

FINDING 2020-002

INTERFUND LOANS WERE NOT ISSUED PROPERLY (Noncompliance Under *Government Auditing Standards*)

During the year, the county transferred \$20,000 from the Solid Waste/Sanitation Fund to the General Fund for cash flow purposes. This transfer was an interfund loan, which is subject to statutory requirements. The loan was not approved by the state Comptroller's Office as required by Section 9-21-408, *Tennessee Code Annotated (TCA)*, and the office did not file a Report on Debt Obligation with the state Comptroller's Office as required by Section 9-21-134, *TCA*. These deficiencies resulted from management's failure to correct the finding noted in prior-year audit reports and the failure to implement their corrective action plan.

RECOMMENDATION

All interfund loans should be properly issued in accordance with state statutes.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. This loan has been repaid.

FINDING 2020-003

THE OFFICE HAD BUDGET DEFICIENCIES (Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following budget deficiencies in the office. These deficiencies were the result of a lack of management oversight.

- A. The original budget and budget amendments entered into the accounting software for the General, Courthouse and Jail Maintenance, Solid Waste/Sanitation, Ambulance Service, Local Purpose Tax, Drug Control, and General Debt Service funds did not agree with the original budget and amendments approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have presented adjustments to the county that they have accepted to properly present the original budget and amendments approved by the county commission in the financial statements of this report.
- B. The original budget and subsequent amendments approved by the county commission for the Ambulance Service Fund resulted in appropriations exceeding estimated available funding by \$16,360. Sound budgetary principles dictate that appropriations be held within estimated available funding.
- C. Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation Fund by \$73,947.
- D. Actual beginning fund balances on July 1, 2019, differed significantly from the estimated fund balances presented to the county commission as follows:

	July 1, 2019 Actual Fund Balance	July 1, 2019 Budgeted Fund Balance	Difference
Fund			
General	\$ (62,183)	\$ 230,182	\$ (292,365)
Solid/Waste Sanitation	(113,369)	24,999	(138,368)
General Debt Service	55,369	135,809	(80,440)

Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the county commission during the budget process.

- E. The budget for the school department's Central Cafeteria Fund was omitted from the original budget approved by the county commission. The budget reflected in the financial statements is the budget approved by the board of education and subsequently approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

The original budget and budget amendments should be properly posted to the accounting records after approval by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations. Expenditures should be held within

appropriations approved by the county commission. Estimates of the beginning fund balance should be made on a more realistic basis to provide county officials with accurate information upon which to base funding decisions. Furthermore, the detailed budget for all budgeted funds should be presented to and approved by the county commission.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. This has been corrected. No amendments will be made after the fact. Also, the budget committee and I have instructed the finance officer not to pay any invoices unless there are enough funds available in the line item and/or it has gone through the proper purchasing procedures.

FINDING 2020-004

THE OFFICE HAD PURCHASING DEFICIENCIES

(A., B., and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; D. – Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 45 disbursements totaling \$261,910 from a population of 1,390 vendor checks totaling \$10,109,449. Our examination revealed the following purchasing deficiencies, which are the result of a lack of management oversight.

- A. In ten purchases, purchase orders were not issued or were issued after the invoice date. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to properly issue purchase orders increases the risks of unauthorized purchases.
- B. In 20 purchases, invoices were paid without documentation that goods had been received and/or services had been rendered. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.
- C. In nine of the purchases sampled, invoices were not cancelled or marked paid. This deficiency could result in the office paying invoices more than once.
- D. Competitive bids were not solicited for liability insurance for the volunteer fire departments (\$45,484), for waterproofing a county fair building (\$25,400), and for the construction of a garage for the ambulance service (\$26,975). Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, require publicly advertised competitive bids to be solicited on all purchases exceeding \$2,500. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before the purchases are made. The office should maintain documentation that goods have been received and/or services have been rendered before invoices are paid, and all invoices should be cancelled when paid. Competitive bids should be solicited for purchases exceeding \$2,500 as required by the county's private acts.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. The finance officer and I will be the only two that can approve purchase orders and must do so before an order has been placed.

FINDING 2020-005

THE COUNTY MAYOR HAD NOT FORMALLY DOCUMENTED INTERNAL CONTROLS

(Noncompliance Under *Government Auditing Standards*)

Section 9-18-102(a), *Tennessee Code Annotated (TCA)*, requires each county government to establish internal controls to provide reasonable assurance for compliance with applicable laws, the safeguarding of assets, and proper accountability for the preparation of accurate and reliable financial records and reports. These provisions became effective for the fiscal year ended June 30, 2016. The county mayor formally documented internal controls for office operations to verify compliance with the above-noted statute in 2016; however, these internal controls have not been reviewed or updated since that time. Failure to implement and maintain internal controls currently could put public assets at risk of loss, misuse, or abuse. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The county mayor should formally document and currently maintain internal controls for office operations as required by Section 9-18-102(a), *TCA*.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. We will update all internal control items including the Ambulance Service.

FINDING 2020-006

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the County Mayor's Office. The official and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of

financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. This will be part of the re-working of the internal controls.

OFFICE OF ROAD SUPERINTENDENT

FINDING 2020-007

THE OFFICE HAD BUDGET DEFICIENCIES

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following budget deficiencies in the office. These deficiencies were the result of a lack of management oversight.

- A. Expenditures exceeded appropriations in the Capital Outlay major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$267,203. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to present a budget amendment to the county commission for a state-aid project.
- B. The actual beginning fund balance of the Highway/Public Works Fund on July 1, 2019, differed from the estimated fund balance presented to the county commission by \$590,972. Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the county commission during the budget process.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission, and management should seek approval of a budget amendment from the county commission when necessary. Estimates of the beginning fund balance should be made on a more realistic basis to provide county officials with accurate information upon which to base funding decisions.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

I concur with this finding. While we do not necessarily disagree with this finding, we do understand now, that it is how the State Comptroller wants state-aid to be done. We do want to address it, in our reasoning, why it was done this way.

The state-aid monies received are different from state monies that are distributed from our fuel taxes. State-aid monies can only be spent on whichever project being worked on at that time. When creating our budget, we are unaware of when, if, and how much any project will cost, or even if it will be ready to be processed in that year's budget; therefore, we do not put any anticipated funds in creating our budget. When we do get state-aid monies, we were under the impression that because we can only use said monies on that particular and current project, there was no need to take it before the commission to do a budget amendment as the actual budget is not affected.

We now understand ALL budget amendments must be taken before the full county commission, regardless of state-aid or state fuel tax funds. Our corrective action will be to comply with this rule from this point forward.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2020-008

THE OFFICE HAD BUDGET DEFICIENCIES

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following budget deficiencies in the office. These deficiencies were the result of a lack of management oversight.

- A. The original budget and budget amendments entered into the accounting software for the General Purpose School Fund did not agree with the original budget and amendments approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have presented adjustments to the county that they have accepted to properly present the original budget and amendments approved by the county commission in the financial statements of this report.
- B. The actual beginning fund balance of the General Purpose School Fund on July 1, 2019, differed from the estimated fund balance presented to the county commission by \$1,550,435. Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the county commission during the budget process.
- C. The budget for the Central Cafeteria Fund was omitted from the budget approved by the county commission. The budget reflected in the financial statements is the budget approved by the board of education as amended by the county commission. Section 5-9-401, *Tennessee Code Annotated*, states that

“All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

- D. Salaries exceeded appropriations in ten of 64 salary line-items of the General Purpose School Fund by amounts ranging from \$40 to \$10,595, including \$7,228 for the director of schools. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

RECOMMENDATION

The original budget and budget amendments should be properly posted to the accounting records after approval by the county commission. Estimates of the beginning fund balance should be made on a more realistic basis to provide county officials with accurate information upon which to base funding decisions. The detailed budget for all budgeted funds should be presented to and approved by the county commission, and expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

VAN BUREN COUNTY

FINDING 2020-009

THE COUNTY’S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

(Noncompliance Under *Government Auditing Standards*)

Van Buren County created an Audit Committee on April 15, 2014, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are no minutes to document that this Audit Committee has met to review the audit for the year ended June 30, 2019. Without a functioning Audit Committee, the county commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management’s plans to address various risks.

RECOMMENDATION

The county’s Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full county commission.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. The chairman of the committee passed away due to a long extended illness. I have replaced him, and I am waiting for approval of another appointment for this committee.

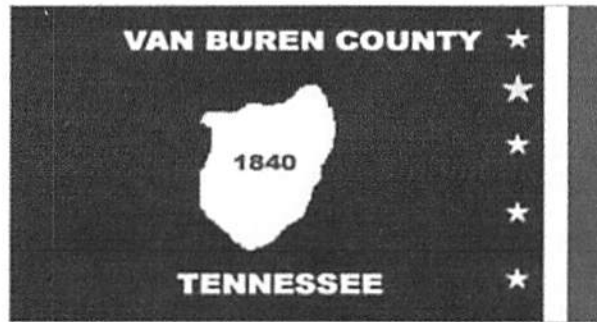
PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

Van Buren County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
<u>OFFICE OF COUNTY MAYOR</u>		
2020-001	The Solid Waste/Sanitation Fund had operating deficiencies	190
2020-002	Interfund loans were not issued properly	190
2020-003	The office had budget deficiencies	191
2020-004	The office had purchasing deficiencies	191
2020-005	The county mayor had not formally documented internal controls	192
2020-006	Duties were not segregated adequately	192
<u>OFFICE OF ROAD SUPERINTENDENT</u>		
2020-007	The office had budget deficiencies	194
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>		
2020-008	The office had budget deficiencies	195
<u>VAN BUREN COUNTY</u>		
2020-009	The county's Audit Committee is not a functioning committee	193



Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN SOLID WASTE OPERATIONS

Response and Corrective Action Plan Prepared by:
Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:
Greg Wilson

Anticipated Completion Date of Corrective Action:
October 30th, 2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Solid waste has been an issue but steps will be taken to correct

Planned Corrective Action:

More safe guards will be implemented to prevent a future fund deficit, cash overdrafts, along with compliance for the bidding process. Contracts will be put in place and followed. Any future debt obligations will be reported to local Finance with the Comptrollers office.

FINDING: INTERFUND LOANS WERE NOT ISSUED PROPERLY

Response and Corrective Action Plan Prepared by:
Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:
Greg Wilson

Anticipated Completion Date of Corrective Action:
Completed

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

This was overlooked when we had several at the same time

Planned Corrective Action: It has already been resolved

FINDING:

THE OFFICE HAD BUDGET DEFICIENCIES

Response and Corrective Action Plan Prepared by:

Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:

Jessica Grissom

Anticipated Completion Date of Corrective Action:

October 30th

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

I will work with the Finance Officer to insure proper procedure will be placed, for budgetary review and process.

FINDING:

THE COUNTY HAD PURCHASING DEFICIENCIES

Response and Corrective Action Plan Prepared by:

Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:

Greg Wilson

Anticipated Completion Date of Corrective Action:

October, 30th, 2020

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

All departments must and will work together to insure this does not happen again

Planned Corrective Action:

I will be writing another purchasing policy, and implementing.

FINDING:

**THE COUNTY MAYOR HAD NOT FORMALLY
DOCUMENTED INTERNAL CONTROLS**

Response and Corrective Action Plan Prepared by:

Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:

Greg Wilson

Anticipated Completion Date of Corrective Action:

October 30th, 2020

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

I will update all Internal Controls annually

FINDING:

DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:

Greg Wilson

Anticipated Completion Date of Corrective Action:

October 30th, 2020

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

A new segregation of duties policy will be written, implemented, and followed

VAN BUREN COUNTY

FINDING: THE AUDIT COMMITTEE IS NOT A FUNCTIONING
COMMITTEE

Response and Corrective Action Plan Prepared by:
Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action
Greg Wilson

Anticipated Completion Date of Corrective Action:
November 30th, 2020

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
We lost 2 members I will have appointed one and will appoint another member in November
and meet with them by the end of November.

Signature:



*Van Buren County Highway Department
P.O. Box 106
Spencer, Tennessee
38585*

Corrective Action Plan

VAN BUREN COUNTY

FINDING: THE OFFICE HAD BUDGET DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Randy Oakes, Road Superintendent

Person Responsible for Implementing the Corrective Action:
Sharon Mooneyham, Secretary/Bookkeeper
Authorization by: Randy Oakes, Highway Superintendent

Anticipated Completion Date of Corrective Action:
Immediate

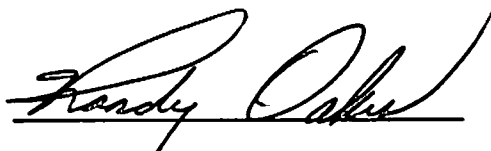
Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
From this point forward we will take State Aide money added to the budget before the full County Commission for approval of use of said funds.

From this point forward we will adjust the beginning estimated fund balance before proposing budget to County Commission.

Signature:





VAN BUREN COUNTY BOARD OF EDUCATION

Where Kids Come First

Corrective Action Plan

VAN BUREN COUNTY

FINDING: THE OFFICE HAD BUDGET DEFICIENCIES

Response and Corrective Action Plan Prepared by:

Cheryl Cole, Director of Schools

Person Responsible for Implementing the Corrective Action:

Cheryl Cole, Director of Schools

Joan Moffitt, Payroll/Personnel

Anticipated Completion Date of Corrective Action:

October 9, 2020

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Van Buren County School System will make adjustments to the budget until the budget is approved, at which time amendments will be made. VBC Schools System will work with our Financial Consultant to obtain a more accurate fund balance to be used. 141 and 143 budgets will be signed for by the County Court Clerk to be approved by the County Commission. Any salaries that need adjustment will get School Board approval and County Commission approval.

Signature: _____

293 Sparta Street • P.O. Box 98 • Spencer, Tennessee 38585 • Phone: (931) 946-2242 • Fax: (931) 946-2858

Director of Special Projects & Pre-School
Dr. Denise Whittenberg
Supervisor of Instruction & Federal Programs
Glenece Cole
Supervisor of Special Education
Virginia Baker

Supervisor of Attendance & Transportation
Billie J. Grissom
Supervisor of Nutrition
Pat Thacker
Supervisor of Technology
Chris Hargrove

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Instructional Technology & Accountability
Jared Copeland
Testing Coordinator & Math Instruction
Teresa Roberts
School Psychologist
Monica Sullivan

Coordinated School Health & Safety
Kelly Lewis
Pre-School & Safety
Phyllis Sullivan
Grants
Jan Smith

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Van Buren County.

VAN BUREN COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Van Buren County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Van Buren County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.